

# US Stock Tips

## 1.The major U.S. stock exchanges

Different from HK stock that HKEX is the only exchange, US stock is traded on the following major exchanges:

### 紐約證券交易所主板(NYSE)

NYSE is one of the most famous exchanges in the US stock market with more than 3500 stocks listed and the world's most market capitalization.

### 納斯達克證券交易所(NASDAQ)

NASDAQ is not a physical exchange but an American electronic exchange. Most companies listed on NASDAQ are high-tech companies.

### 美國證券交易所(AMEX)

AMEX is one of the three largest exchanges in America. It has more than 1000 listed stocks, its listed companies are mostly newly established small and medium sized companies.

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## 2. The U.S. Stock Symbol

HK stock uses numbers as stock symbol while US stock uses English letters, e.g. Apple, Inc. (AAPL), General Electric Company (GE).

## 3. Can common investors purchase U.S. IPO

No. Different from the issue of HK IPO, only underwriters (investment banks such as Goldman Sachs and JP Morgan Chase) and the listed company can decide to whom they sell the IPO in the US. The subscription of US IPO starts from 1 million USD, and only key accounts of investment banks can subscribe US IPO.

## 4. How to buy/sell U.S. stock

If you want to trade US stock in Hong Kong, you can open a securities account through a bank or broker and complete the W-8BEN form to prove you status of non-US person. If you are currently holding a HK securities account, you can check if your bank or broker offers US stock trading service; if yes, complete the W-8BEN form (situation may differ depending on individual bank or broker).

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## 5. Three major US Stock Indices

### 道瓊斯工業指數 (Dow Jones Index)

Dow Jones Industrial Average (DJIA) is one of the oldest indices which tracks 30 solid and actively traded companies that have common stock listed on major exchanges. DJIA is a price weighted index calculated by adding the price of component stocks together and dividing the sum by the divisor.

### 標準普爾500指數 (S&P 500 Index)

As one of the most important indices in the US market, S&P 500 is a market-capitalization-weighted index developed and maintained by Standard & Poor's. This index is based on the market capitalization of 500 large companies having common stock listed on major exchanges. This index takes into consideration more companies and thus creating less risk and reflects the market more comprehensively.

### 納斯達克指數 (Nasdaq Index)

NASDAQ Composite is the most representative index of more than 5000 common stock listed on NASDAQ. The composite involves all new technological industries such as software, computer, telecom, biotechnology, retail and wholesale trade etc., and it has been one of the most-followed indices due to its broad coverage.

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# US Stock Tips

## 6. The trading hours for US stock

Country	Exchange	US Time (EST)	HK Time
United States	AMEX, NYSE, Nasdaq	<u>Monday to Friday</u> 9:30am-4pm	<u>Monday to Friday</u> (US Winter Time) 10:30pm-5am (US Summer Time) 9:30pm-4am

(Except for US holidays)

US Summer Time (Mar - Nov), US Winter Time (Nov – Mar), please refer to the latest announcement in the US market.

## 7. US stock trading unit

US stocks the trading unit minimum is 1 share

## 8. Buy and sell US stock on the same day

US stock accepts T+0 settlement. You can buy and sell US stock on the same day.

## 9. How does the system process the US Securities order for next trading day?

For order placed after trading session, 1. System will hold the investable amount immediately. 2. Please check your order status during trading hours to ensure whether your order placed has been successfully accepted. If the order has been rejected, you can input the order again.

## 10. Circuit Breaker

Circuit breakers are measures approved by the SEC to curb panic-selling on U.S. stock exchange and excessive volatility. Circuit breakers temporarily halt trading on an exchange or in individual securities.

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## 11. The main features for US Trading Service

Items	US Securities
US securities available for trading	Common Stocks (excluding Warrants) traded on NYSE, NASDAQ, AMEX
Currency	USD
Lot Size	No board lot size, minimum 1 share
Amend Order	Order amendment is allowed
Order Types	Limit orders only (Limit orders can be matched at the specified or better price)
Pre-Open/Post-Close Market Trade	Do not accept
Settlement Cycle	T+2

The available US Stock for trading provided by Service Provider.

## 12. What is US securities spread table?

Prices of Securities (USD)	Minimum Spread (USD)
Less than 1 USD	0.0001
Greater than or equal to 1 USD	0.01

## 13. Can I withdraw the physical scrip securities in US market through ICBC(Asia)?

No. The Bank does not provide the physical stock deposits and withdrawals of US Securities service.

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### **Risk Disclosure :**

Investment involves risk and the prices of securities products fluctuate. The prices of securities may move up or down, sometimes dramatically, and may become valueless. It is as likely that loss will be incurred rather than profit made as result of buying and selling investment. The risk of loss in financing a transaction by deposit of collateral is significant. You may sustain losses in excess of your cash and any other assets deposited as collateral with the licensed or registered person. You may be called upon at short notice to make additional margin or interest payments. If the required margin or interest payments are not made within the prescribed time, your collateral may be liquidated without your consent. Moreover, you will remain liable for any resulting deficit in your account and interest charged on your account.

The price of the warrants and Callable Bull/Bear Contracts ("CBBC") may move up or down rapidly and investors may sustain a total loss of their investment. Past performance of the underlying asset is not an indicator of future performance. You should ensure that you understand the nature of the warrants and CBBC and carefully study the risk factors set out in the relevant listing documents of the warrants and CBBC and where necessary, seek independent professional advice. Warrants that are not exercised will have no value upon expiry. CBBC has a mandatory call feature and may be terminated early, in such case, (i) in the case of Category N CBBCs, an investor will not receive any residual value and (ii) in the case of Category R CBBCs, the residual value may be zero.

Investors should bear in mind the key risks of ETFs which include but not limited to political, economic, currency, and other risks of a specific sector or market related to the underlying index; liquid secondary market may not exist for ETFs; changes in the net asset value of the ETFs may deviate from the performance of the tracking index, ETFs may invest in single country and sector; ETFs with tracking index relating to emerging markets may be subject to a greater risk of loss than investments in developed markets; and like all investments, an ETF is subject to the risk of change in policy of the reference market. Leveraged and inverse products (L&I Products) are derivative products structured as funds. L&I Products are different from conventional ETFs. They do not share the same characteristics and risks. L&I Products are not designed for holding longer than one day, it is for short-term trading or hedging purposes. When L&I Products are held after a period of time, their return may deviate from and may be uncorrelated to the multiple (in the case of leveraged products) or the opposite (in the case of inverse products) of the return of the underlying index. Investors may suffer significant or even total losses. Trading L&I Products involves investment risk and are not intended for all investors. There is no guarantee of repaying the principal amount. Investors should read the relevant offering documents of Leveraged and inverse products and ensure they understand the key product features and related risks before making an investment.

The Chinese Renminbi is currently a restricted currency. Due to the exchange controls and/or restrictions which may be imposed by the PRC government on the convertibility or utilization of RMB from time to time, there is no guarantee that disruption in the transferability, convertibility or liquidity of RMB will not occur. There is thus a likelihood that you may not be able to convert the Chinese Renminbi received into other freely convertible currencies.

### **Major risks of Overseas Securities:**

Investors should fully understand the details, risks, charges and important notice before invest in overseas securities, you should seek advice from your professional advisors as to your particular tax position, including but not limited to estate duty and withholding tax that might arise from investing in overseas products. Overseas securities have other risks that are not generally related to securities in the local market. The value or return of overseas securities may be volatile and may be adversely affected by other factors.

### **Important Notice**

The above risk disclosure statements cannot disclose all the risks involved. If you would like to get a full risk disclosure statements, please visit any branch of the Bank for enquiries .

Before making investment decision, you should thoroughly study the offering documents; the financial reports and relevant risk disclosure statements issued by the issuer of the investment product(s). Further you should consider your own circumstances and financial position to ensure the investment are suitable for your particular investment needs. You should seek independent financial and professional advice before trading or investment. This document does not constitute and offer for the purchase or sales of any investment products.

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