

Questions To Ask Your Broker

The first step in trading electronically on GLOBEX® is to open an account with a Futures Commission Merchant (FCM) or Introducing Broker (IB). Each firm will have its own fees and margin requirements. Each firm may also have a trading application/front-end with its own specific features and functionality.

Some important questions to ask an FCM or IB might include:

1. Is this firm a member of the CME® Clearing House?
2. What amount do I need to deposit to open an account? How many contracts will that amount allow me to trade on GLOBEX?
3. What are the margin requirements? Are they different for trades held overnight?
4. What is the total fee per contract, for a round-turn (entry and exit) trade?
5. How are disputed orders handled?
6. How will I receive my statement?
7. Who receives the interest on my funds?

Additionally, traders interested in executing GLOBEX orders directly may want to know more about the following:

8. What front-end systems does your firm support? (GLOBEX Trader(SM), any ISV's front-ends?)
9. Do you have a certified front-end that I can use to trade GLOBEX products?
10. Does the front-end access GLOBEX using the Internet or does it require a direct data connection to CME?
11. What are the computer system requirements?
12. Do you have a technical support phone line for customers? What hours is it available?
13. Is there an alternative method of order entry and execution (such as a phone backup)?
14. Are there additional costs involved with a phone order?
15. Are there any other fees that I will incur (such as choosing more than one exchange or market to trade from)?
16. What other features are offered with the front-end (i.e. charting tools, depth of market)? Are these at an additional cost?