# Glossary

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**Accrued Interest**
Interest earned between the most recent interest payment and the present date, but not yet paid to the lender.

**Acquisition**
The act of one corporation acquiring control of another corporation.

**Amman Financial Market (AFM)**
The institution that was previously the regulator and operator of Jordan's capital market and has since been replaced by the regulatory body, the Jordan Securities Commission. The operations of the capital market now occur in the Amman Stock Exchange and the Securities Depository Center.

**Amman Stock Exchange (ASE)**
The only agency authorized as a formal market for trading securities in the Hashemite Kingdom of Jordan.

**Annual Report**
The formal financial statement issued yearly by a publicly owned corporation, showing the firm's assets, liabilities, revenues, expenses and earnings.

**Arbitrage**
The simultaneous buying and selling of a security at two different prices in two different markets.

**Arbitration**
A dispute resolution mechanism designed to help aggrieved parties recover damages.

**Ask Price**
The lowest price at which an owner will sell a given security (also called Offer Price ).

**Asset**
Anything a person, company, or group owns or is owed, including money, investments, and property.

**Balance Sheet**
A financial statement for a firm showing the company's assets, liabilities, and capital on a given date.

**Bear**
An individual who believes a stock or the overall market will decline.

**Bear Market**
A prolonged period of falling stock prices.

**Bearer Bond**
A bond that has no identification of an owner. The owner of the bond is the entity that holds the bond.

**Beneficial Owner**
An individual who owns securities regardless of their form of registration.
Securities held in a custodian's street name may have an individual as their beneficial owner.

**Bid Price**
The highest price an investor is willing to pay to purchase a given security.

**Bid-Ask Spread**
The difference between the bid and ask prices.

**Bilateral Netting**
The process whereby all trades executed on the same day in the same security are netted between two counter parties at the end of the day and one movement of securities and cash is conducted.

**Block**
A large holding or transaction of stock.

**Block Trades**
Trading between two brokers or through one broker (in the case of cross execution) for the purpose of buying and selling any security, in one block, whereby the value shall not be less than 200,000JD.

**Bond**
Debt certificates issued by corporations or governments for the purpose of borrowing money from the public.

**Bond Market**
Market for bond trading at the ASE.

**Book Entry Securities**
Securities that are maintained by computerized records and that have no physical document to represent the security. These securities do not move from holder to holder, but are kept in a central clearinghouse.

**Book Value**
A company's total assets minus intangible assets and liabilities (also called Common Shareholder's Equity ).

**Brady Bond**
Bonds issued by developing countries when they restructure their debt, whose principal and interest payments are backed by U.S. Treasury securities. The bonds were named for former U.S. Treasury

Secretary Nicholas Brady.

**Broker**
An individual or company who handles public orders to buy and sell securities, commodities or other property on the behalf of clients. A commission is charged for this service.

**Brokerage Fee**
The broker's basic fee for purchasing or selling securities on behalf of another party, usually a percentage of the amount of the transaction.

**Bull**
An individual who believes a stock or the overall market will rise.

**Bull Market**
A prolonged period of rising stock prices.

**Buy**
The act of completing a transaction in which an individual takes the title to a security in exchange for cash.

**Buy In**
The transaction between brokers wherein securities are not delivered on time by the broker on the sell side, forcing the buy side broker to obtain shares from other sources.

**Buy Order**
An order to buy securities.

**Buying on Margin**
The act of buying securities with credit available through a relationship with a broker, called a margin account.

**Call**
The right for the investor to purchase a prescribed number of shares at a specific price on or before a specific date.

**Callable Bond**
Bonds that may be redeemed by the issuer prior to the stated maturity date.

**Call Option**
An option that gives the buyer the right, but not the obligation, to purchase the underlying stock at a given price (the strike price) by a given time (the expiration date).

**Canceled Order**
A buy or sell order that has been cancelled prior to its execution.

**Capital Gain**
Profit made on securities by selling the security for a higher price than was paid for that security.

**Capital Markets**
A market where securities are bought and sold.

**Capital Stock**
The amount of money or property contributed by stockholders to be used as the financial foundation for a corporation, including common and preferred stock.

**Certificate**
The piece of paper that is evidence of ownership of stock in a company.

**Certificate of Deposit**
A short-term debt security with maturity from a few weeks to several years.

**Clearinghouse**
A computerized facility that compares and reconciles both sides of a brokerage trade.

**Clearance**
The post-trade and pre-settlement matching of trade details for the purpose of confirming the trade and allowing settlement.

**Closed-End Mutual Fund (Fixed Capital Mutual Fund)**
A mutual fund that has shares which are readily transferable in the open market and are bought and sold like shares of stock. The number of fund shares remains finite, as opposed to an open-end mutual fund.

**Closing Price**
The price of the last trading transaction in a trading session, executed on a specific security.

**Collateralized Bond**
Bonds that are backed by the assets the issuer puts up as collateral for the issue (e.g., equipment or real estate).

**Commercial Paper**
Short-term unsecured promissory note issued in the open market as an obligation of the issuing entity.

**Commingling**
Mixing customer-owned securities with those owned by a firm in its proprietary accounts.

**Commission**
The broker's basic fee for purchasing or selling securities on behalf of another party, usually a percentage of the amount of the transaction.

**Common Shareholders' Equity**
See Book Value .

**Common Stock**
One of two main types of stock an investor can purchase in a company. Investors who hold common stock have voting rights at the company's annual stockholders' meeting, but are not guaranteed dividends. If dividends are issued, holders of common stock receive the distribution only after the holders of preferred stock receive the distribution.

**Continuous Net Settlement**

A system whereby all pending settlements in a given security are continuously combined by issue to create the smallest net deliveries at the end of the day. Any unsettled, or failed, transaction is continued, or carried over and offset against the next day's trades.

**Convertible Bond**
A bond that is able to be converted, or traded in, for another security at the option of the bondholder.

**Corporate Action**
Restructuring the ownership of a company, through an action such as a stock split or conversion.

**Corporate Bond**
A debt certificate issued by a corporation without giving the holder of the certificate ownership in the company.

**Coupon**
The interest payment on a debt instrument, usually annually or semiannually.

**Credit Ratings**
Independent evaluations of the credit of companies and governments and the ability of these institution to repay debt obligations. Examples of credit rating agencies include Standard and Poor's, Moody's, and Fitch IBCA.

**Cross Border Trading**
Trading which takes place between persons or entities from different countries.

**Cross Execution**
See Cross Trade.

**Cross Trade**
An order to buy and an order to sell a specific security, placed within one broker, for the same quantity, and for the same price (also called Crossing or Cross Execution).

**Current Assets**
A company's assets that are expected to be realized in cash, sold, or consumed within the next year.

**Current Liabilities**
Money owed by a company to be paid within the next year.

**Current Ratio**
Calculated by dividing the total current assets for a given period by the total current liabilities for the same period.

**Current Yield**
A percentage measure of how much income is being derived from a security. The formula is calculated by dividing the annual payment (through dividends or interest) to the holder of the security divided by the following number: current price of the security divided by 100 times the quantity of the security.

**Cushion Bond**
A callable bond that is not as sensitive to interest rate fluctuations because of its early call option.

**Custody**
Safekeeping of securities for institutions and individuals generally including settlement of trades, collection of income, and processing of corporate actions.

**Custodian**
Financial institution that maintains custody of stock certificates for institutional individual clients.

**Daily Trading Limits**
The maximum price range set by the ASE.

**Day Order**
An order that expires at the end of the day.

**Day Traders**
Individuals who seek to establish and liquidate the same position for profit within one day's trading.

**Dealer**
An individual or a company in the securities industry who buys and sells securities as a principal rather than an agent. The profit and loss is the difference between the price paid and the price received for the same security.

**Debenture**
Unsecured debt backed by the creditworthiness of the issuer, such as a corporate bond.

**Debt to Equity Ratio**
Calculated by dividing a company's long-term debt by shareholders' equity. Used to show the relationship between long-term funds provided by creditors and funds provided by shareholders.

**Default**
The failure of a party to make payment of interest or principal on a debt security when due.

**Delivery Versus Payment (DVP)**
Simultaneous, certain, final, and irrevocable exchange of securities and funds. A securities settlement system that provides a mechanism that ensures that delivery occurs only if payment occurs.

**De-materialization**
The process and conversion of securities issuance and processing through book entries only and without any physical certificates.

**Depository**
A central securities repository where physical securities are kept in a vault and owners are tracked via book entry system without the delivery of those securities when transactions occur.

**Derivatives**
Financial instruments whose value is derived from underlying value of another security. Derivatives include options and futures.

**Disclosure**
The release by companies of all information positive or negative that might bear on an investment

decision as requested by the Jordan Securities Commission.

**Discretionary Account**
An account whereby the holder gives written power of attorney to another person or entity to make trading decisions on his behalf.

**Diversification**
The act of spreading one's investments across different types of securities and various companies in different fields in order to minimize risk.

**Dividend**
Distribution of earnings to shareholders, usually paid in the form of money or stock (see Stock Dividend).

**Dividend Yield**
Calculated by dividing the amount of the annual dividends per share of stock by the current market price per share of the same stock, resulting in the annual percentage of return earned by an investor on a stock.

**Earnings Per Share (EPS)**
Calculated by dividing after-tax net income by the total number of shares outstanding. Shows the portion of a company's profit allocated to each outstanding share of common stock.

**Earnings Announcements**
The results of a company's operations for a given time period, usually released annually in Jordan.

**Electronic Trading**
Trading which is conducted via electronically linked computers to the exchange, enabling brokers to carry out transactions in locations other than the ASE.

**Equilibrium Price**
Market price at which quantity supplied of a security equals quantity demanded of the same security (see Indicative Equilibrium Price ).

**Equity**
Ownership interest in a corporation.

**Eurodollars**
U.S. dollars on deposit with a bank outside of the United States.

**Executed Order**
A completed buy or sell transaction.

**Execution**
The act of carrying out a trade.

**Face Value**
The amount of money the issuing company or government promises to pay for a bond at maturity.

**Fill-and-Kill**

An order that requires execution of a possible quantity at the price limited in the order, and cancellation of the remaining un-executed quantity.

**Fill-or-Kill**
An order that requires execution of the entire quantity immediately. If this order cannot be executed, it is cancelled.

**Final Settlement**
The completion of a transaction when delivery of all components to a trade have been accomplished.

**Financial Instrument**
A mechanism for investment in the financial markets. There are two major types of financial instruments: a debt instrument, which is a loan guaranteed to pay back principal with interest, and an equity security, which represents part ownership in a company.

**Financial Services Companies**
The companies licensed by the JSC to perform the activities of investment trusteeship, investment management, financial consultations, brokerage or custodial activities.

**First Market**
Part of the Secondary Market where trading takes place subject to special listing rules.

**Fiscal Year**
Any continuous 12-month period that a company or government uses as its annual accounting period.

**Fixed Income Security**
A security that pays a specific rate of interest. Bonds are fixed-interest securities.

**Fixing Group**
A group of securities traded at a limited price during the trading session, representing the last IEP upon opening.

**Flotation**
When a company's shares are admitted to trading on the ASE.

**Foreign Exchange Market**
An over-the-counter market where buyers and sellers conduct foreign exchange business by telephone and other electronic means of communication.

**Futures Contract**
An agreement to buy or sell a specific security at a particular price on a stipulated future date.

**Futures Exchange**
A market exchange, physical or electronic, where buyers and sellers meet to trade futures and options on futures contracts.

**Global Custodian**
Custodian who offers international services through a network of sub-custodian (agent) banks.

**Good - Till - Cancelled (GTC)**
An order that remains valid until its cancellation.

**Gross National Product**
Total value of all goods and services produced in a given country, including the income accruing to domestic residents that result from investments abroad.

**Group of Thirty (G-30)**
An international economic consortium which studies world- wide economic situations and makes recommendations to benefit the world economy.

**Hedging**
The practice of offsetting the price risk in an existing security by the purchase or sale of a derivative security, such as an option or futures contract.

**Hidden Quantity**
The quantity which the broker does not wish to reveal on the Market by Order Book.

**Holder**
The purchaser of a call or a put option.

**Holding Company**
A corporation that owns the securities of another company, usually with voting control.

**Hypothecation**
Pledging of securities to brokers as collateral for loans made to purchase securities or to cover short sales.

**Immobilization**
Process that occurs when the central depository vaults share certificates and converts them into book based positions.

**Income Statement**
A report on a company's financial status describing revenues and expenses over a specific period of time.

**Indicative Equilibrium Price (IEP)**
The equilibrium price between offered and demanded quantities, which is calculated by the ASE trading system. (see Equilibrium Price )

**Investment Manager**
An professional responsible for managing the investments of institutional and individual clients.

**Inflation**
An increase in the prices for goods and services in a particular country.

**Initial Public Offering (IPO)**
A corporation's first offering of stock to the public.

**Insider Trading**

The practice of buying and selling a company's stock by that company's management or board of directors, or by a holder of more than 10% of the company's shares.

**Institutional Investor**
An institution that invests its own assets or the assets of other large institutions, such as foundations. The institutional investor category includes pension funds, investment companies, insurance companies, and banks.

**Interest**
The cost of borrowing, represented as a percentage of the amount borrowed.

**Intrinsic Value**
A valuation determined by applying data inputs to a valuation model. The value is comparable to the prevailing market price.

**Investment Fund**
An established fund which pools funds from investors in order to purchase a wide variety of financial instruments that will meet the fund's investment goals.

**IOSCO (International Organization of Securities Commissions)**
An international organization of securities exchange regulators who set guiding principles for the world's capital markets.

**ISIN**
International Securities Identification Number - A twelve-digit number used as an internationally recognized numbering system for securities identification.

**Issuer**
Corporation that originates securities in the primary market for the purpose of raising capital.

**Jordan Securities Commission (JSC)**

An institution in charge of regulating and supervising the capital market in Jordan. The objectives of the JSC are to create a sound regulatory environment in order to ensure a transparent securities market in the Kingdom and to protect shareholders, investors, and the public from irregular market practices.

**Leading Indicators**
Market statistics that signal the state of the economy for a given period of time, such as unemployment rate, housing starts, and change in money supply.

**Lending Securities**
Securities borrowed from a broker's inventory, other margin accounts, or from other brokers when a customer makes a short sale and the securities must be delivered to the buying customer's broker.

**Leverage**
The ratio of debt to equity to finance a company's operations and new projects. A company is highly leveraged if it is using a large proportion of debt (i.e., bonds or loans) versus equity to finance its operations.

**Liabilities**
The claims against a corporation, including, but not limited to, accounts payable, salaries payable, dividends declared payable, debenture bonds, and bank loans.

**Limit Order**
An order to buy or sell a stock at a customer specified price.

**Linkage**
The ability to buy or sell a contract on one exchange and sell or buy the contract on another exchange.

**Liquidity**
Ease with which a security can be traded on the market.

**Listed Securities**
Stock or bond that has been accepted for trading at the Amman Stock Exchange.

**Locked-in Trades**
Matched trades which are guaranteed to settle as initially entered on trade date.

**Long**
The position of an individual who has bought financial instruments.

**Manipulation**
The illegal act of buying or selling securities for the purpose of creating a misleading impression of market activity to induce the purchase or sales of securities by others.

**Margin Account**
An account where the brokerage firm lends a customer money for purchases of securities or securities for short sale.

**Margin Call**
A brokerage house's request for a customer to put up more cash or securities because existing collateral has fallen below the agreed upon minimum maintenance requirements.

**Margin Security**
Security that may be bought or sold in a margin account.

**Matching**
Comparison of the terms of a trade to ensure the details from both parties match.

**Maturity Date**
The date a debt security expires and the date that the principal amount of the debt must be paid by the borrower to the investor.

**Market Capitalization (also referred to as "Market Cap")**
The value of shares on an exchange. This value is calculated by multiplying the current price of shares by the number of current listed shares.

**Market Order**

An order to buy or sell a stock at the market's current best displayed price, given one's position.

**Market Price**
The order price which is the best-bid price in case of a buying order, or the best-ask price in case of a selling order.

**Marketability**
A measure of ease or difficulty with which a security can be resold in the secondary market. Good marketability indicates that there is an active market in which the security can be resold.

**Maturity Date**
The date on which the principal amount of a bond is to be paid in full.

**Merger**
A voluntary combination of two or more companies whereby both stocks are merged into one.

**Money Market Funds**
Funds where borrowing and lending is for a period of less than one year, including certificates of deposit, repurchase agreements, and treasury bills.

**Money Supply**
The amount of money in a given economy, consisting primarily of currency in circulation and deposits by banks. There exist a number of different measures of the money supply, among them M1 and M2.

**Money Supply (M1):**
Equals the currency with the public plus demand deposits in Jordanian dinar with the banking system of the private sector (resident), public entities, and non-banking financial institutions, plus demand deposits of other banking institutions in Jordan dinar with the Central Bank of Jordan only.

**Money Supply (M2):**
Equals the money supply (M1) plus quasi-money. On the asset side, it equals net domestic assets plus net foreign assets of the banking system.

**Mortgage-Backed Bonds**
Bonds that are secured by pools of mortgages.

**Multilateral Netting**
A process conducted by the Security Depository Center whereby trades in the same security are netted regardless of who the counterparty is and a net cash and security position is settled for each participant.

**Municipal Bonds**
Bonds issued by local governments for the purpose of raising capital for a city or district.

**Mutual Fund**
An established investment fund whereby an investment company pools funds from investors in order to purchase a wide variety of financial instruments that will meet the fund's investment goals.

**Net Worth**
See Stockholders' Equity

**Netting**
The act that occurs when security transactions are pooled and buys and sells are offset against each other for a net settlement of any difference.

**New Issue**
Stock or bond being offered to the public for the first time.

**New Listing**
A security that has just begun to trade on the stock exchange.

**Nominee**
A person or firm, such as a bank or brokerage house, into whose name securities are registered by agreement between the two parties concerned.

**Offer Price**
The price for which a seller is willing to sell his security holding (also called, Ask Price ).

**Open-End Mutual Fund (Variable Capital Mutual Fund)**
A mutual fund where the capitalization is not fixed. The mutual fund company will continually sell or redeem its own shares to meet investor demand, as opposed to a Closed-End Mutual Fund.

**Open Order**
An order that has been placed with the broker, but not yet filled or cancelled.

**Open Price**
The price of an order sent in the pre-opening phase to buy or to sell as security at the opening price (IEP).

**Opening Price**
The price of the first trading transaction in a trading session, executed on a specific security.

**Option**
The right to buy or sell a security at a particular ask or bid price.

**Order**
A request to buy or sell a security at a particular ask or bid price.

**Ordinary Order**
An order to buy or sell a specific security, which the broker can offer or demand through the trading system.

**Over-the-Counter Market**
The market where securities are bought and sold directly between the purchaser and seller.

**Owners' Equity**
See Stockholders' Equity.

**Par Value**
The principle amount that will be paid at a debt instrument's maturity.

**Paying Agent**
The place or company where the principal and interest are payable.

**Physical Delivery**
The actual delivery of a stock certificate.

**Portfolio**
The group of investments and cash held by an individual.

**Position**
A market commitment to buy or sell a security. A buyer of a financial instrument is said to have a long position and, conversely, a seller of financial instrument is said to have a short position.

**Preferred Stock**
One of two major types of stock an investor can purchase in a company. Investors who hold preferred stock have voting rights at the company's annual stockholders' meeting and, if dividends are distributed, are guaranteed to receive dividend payments before Common Stockholders.

**Premium Bond**
A bond with a selling price that is above its face (par) value.

**Price/Book Ratio**
Calculated by dividing a stock's price by its book value per share. Used to assess whether a stock is overvalued or undervalued.

**Price to Earnings Ratio (P/E Ratio)**
Calculated by dividing the current price of a stock by the reported actual or forecasted earnings per share of the issuing firm.

**Price Limit Order**
An order that specifies the price at which the trade can be executed.

**Primary Market**
The market in which financial instruments are issued for the first time. After issuing on the primary market, the stock is then sold to the public in the secondary market.

**Prime Rate**
The interest rate banks charge their most creditworthy clients. Most banks charge a few points above the prime rate on mortgages and other personal loans.

**Principal**
The original amount or face value of a bond or certificate of deposit.

**Privatization**
The act of a government transferring state-owned or state-run companies to the private sector, usually by selling them.

**Prospectus**
A document detailing a new offer for public securities. The prospectus provides financial background information of the issuing company, how the proceeds from the sale of securities will be used, and

other information that aids a potential investor in deciding whether or not to participate in the new issue.

**Proxy**
Written authorization by a shareholder to allow someone else to represent him and his vote at a corporation's annual shareholders' meeting.

**Public Shareholding Company**
A company whose shares may be purchased by the public and whose share capital is not less than a statutory minimum.

**Put Option**
An option granting the right to sell the underlying futures contract. Opposite of a call.

**Range**
The price span of a stock, index, or exchange during a given trading session, week, month, year, or other time period.

**Redemption**
The paying off or buying back of a bond by the issuer.

**Refunding Bond**
The replacement of a bond issue with a new bond issue.

**Registered Bond**
A bond that is recorded in the name of the holder of the books of the issuer or the issuer's registrar and can be transferred to another owner only when endorsed by the registered owner.

**Registrar**
An organization with the responsibility of keeping a record of the owners of securities.

**Rejected Order**
An order that is invalid or unacceptable.

**Repurchase Agreements (Repo)**
An agreement between a seller and a buyer, in which the seller agrees to buy back the security at a later date.

**Reserve Requirements**
The minimum amount of cash and liquid assets as a percentage of demand deposits and time deposits that member banks of the Central Bank are required to maintain.

**Retail Investor**
An individual who buys and sells securities on his own behalf, not for an organization.

**Return on Assets (ROA)**
A percentage calculated by dividing a company's net income from the previous year by its common stockholder equity. Indicator of profitability.

**Safekeeping**

The holding of a physical or book entry security by a depository or custodian.

**Second Market**
Part of the Secondary Market through which trading takes place in securities subject to special ASE listing rules.

**Secondary Market**
Market where previously issued securities are bought and sold.

**Sector**
A group of securities similar with respect to industry, maturity, type, rating, and/or coupon.

**Securities Borrow**
A collateralized security loan for a fee.

**Securities Depository Center (SDC)**
Institution established in Jordan for the purposes of the registration of securities, the transfer of ownership of securities, and the settlement of their value. It operates as the central registry in the Kingdom.

**Securities Law**
The Securities Law No. 23 of 1997. This Law regulates the Jordanian capital market. Three institutions were established under this Law: the Jordan Securities Commission, the Amman Stock Exchange, and the Securities Depository Center.

**Security**
Instrument that signifies an ownership position in a corporation (a stock), a creditor relationship with a corporation or governmental body (a bond), or rights to ownership (e.g., option).

**Sell Order**
An order to sell securities.

**Sell Out**
An action by the broker when a customer fails to pay for securities purchased and securities received from the selling broker are sold to cover the transaction.

**Settlement**
The conclusion of a securities transaction when a customer pays a broker or dealer for securities purchased or delivers securities sold and receives payment from the broker.

**Settlement Date**
The date on which both parties of a transaction agree to deliver securities or pay cash.

**Shares**
Certificates or book entries representing ownership in a company.

**Share Repurchase**
The process in which a corporation buys back previously issued shares of its own stock in the open market.

**Shareholders' Equity**
See Stockholders' Equity

**Short Sale**
The selling of a security that the seller does not own, or any sale that is completed by the delivery of a security that was borrowed by the seller.

**Sinking Fund**
Money that is accumulated in a separate custodial account for the purpose of redeeming debt securities or preferred stock issues.

**Split**
The division of a corporation's outstanding shares into either a larger or smaller (reverse split) number of shares without any impact on shareholder equity.

**Spot**
Usually refers to a cash market price for a physical commodity that is available for immediate delivery.

**Spread**
The price difference between two related markets or commodities.

**Stock**
Equity ownership of a corporation through the purchase of shares.

**Stock Dividend**
Payment of a corporate dividend in stock rather than in cash.

**Stock Index**
An indicator used to measure and report changes in prices of a selected group of stocks. How a particular stock index tracks the market depends on its composition - the sampling of stocks, the weighing of individual stocks, and the method of averaging used to establish an index.

**Stock Market**
A market in which shares of stock are bought and sold.

**Stockholders' Equity**
The value of all stock of a particular company owned by the shareholders of that company. Calculated by subtracting a company's total liabilities from its total assets or a corporation's paid-in capital, donated capital, and retained earnings less its liabilities (also called, Shareholders' Equity, Net Worth, and Owners' Equity).

**Stop Order**
An order to sell if and when the market price falls to a specified amount.

**Street Name**
Indicates that a stock certificate is in the name of a brokerage house.

**Strike Price**
The stated price per share for which a stock option may be purchased or sold by the option holder.

**Sub-Custodian**
An agent bank or subsidiary that provides local custody services for a global custodian.

**Swap**
An arrangement when two companies lend to one another on different terms, for example at different interest rates or in different currencies.

**SWIFT (Society for Worldwide Interbank Financial Telecommunication)**
Communication network providing secure lines of trades and/or cash communication to financial institutions globally. Customers include banks, broker-dealers, securities depositories and clearing organizations, investment managers and stock exchanges.

**Third Market**
Part of the Secondary Market through which trading takes place in securities that are not listed on the ASE.

**Time Limit Order**
A customer order that designates the time during which it can be executed.

**Trade**
To carry out a transaction of buying or selling stock or a bond.

**Trade Balance**
The difference between a nation's imports and exports of merchandise

**Trade Settlement**
Delivering securities in return for cash.

**Trader**
An individual who buys and sells securities for his own account for personal gain or an individual who buys and sells securities on behalf of a broker or financial institution for the firm and its clients.

**Transaction**
Execution of an order to buy or sell securities.

**Transfer Agent**
The primary recordkeeper for all shareholder information regarding a company's stock.

**Treasury Bills (T Bills)**
A government security with maturity of one year or less

**Treasury Bond**
Long-term obligations of the Central Bank with a minimum maturity of 10 years.

**Treasury Note**
A government security with maturity between 1 and 10 years.

**Trustee**
A bank designated by an issuer of stocks or bonds that acts as the custodian of funds and official representative of the stock or bondholders. Trustees are appointed to assure that stockholders and

bondholders have representation to enforce the contractual obligations of the issuer.

**Underwriter**
An investment bank that agrees to purchase a new issue of securities from an issuer and distribute it to investors, making a profit on the fees charged for this service.

**Unlisted Security**
A security not listed on an exchange.

**Volatility**
A measurement of the change in price over a given period.

**Volume**
The number of purchases or sales of securities contracts made during a specific time period, often the total transactions for one trading day or week.

**Warrant**
A corporate-issued certificate giving the holder the right to buy securities at a stipulated price within a given time period.

**Yield**
A measure of the amount of money returned to an investor on his investments.

**Yield to Maturity**
The rate of return an investor receives if a fixed-income security (bond) is held to maturity.

**Zero Coupon Bond**
Bonds that do not make interest (coupon) payments prior to maturity.

Source URl:

https://www.exchange.jo/en/print/pdf/node/2176