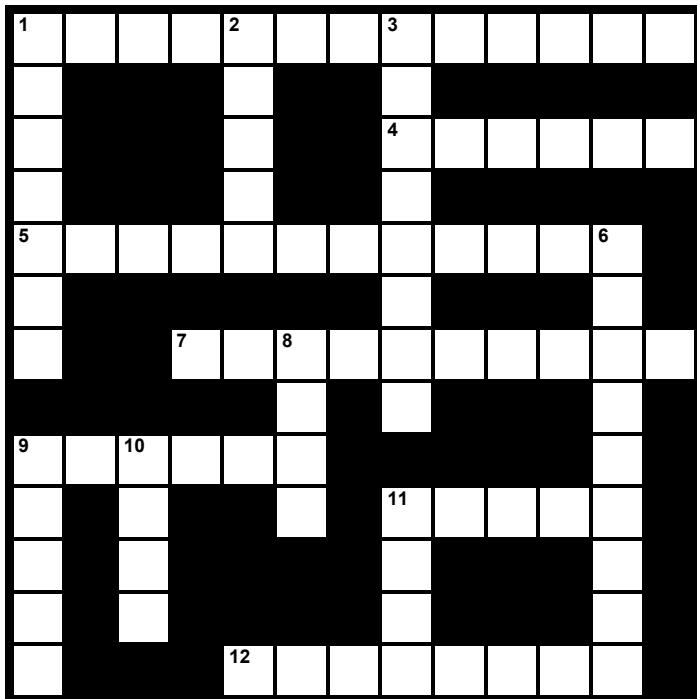


Stock_Market_Derivatives_13x13_2003-04-04

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Across

- 1 The time period over which an investment is held. (7,6)
- 4 The simultaneous purchase of one futures contract and sale of another, in the expectation that the price relationship between the two will change so that the subsequent offsetting sale and purchase will yield a net profit. (6)
- 5 A new mode of stock market investment in which, instead of buying individual shares one buys so many units of a recognized index. (5,7)
- 7 An option that gives the buyer the right, but not the

obligation, to purchase the underlying futures contract at the strike price on or before the expiration date. (4,6)

9 A contract that conveys the right, but not the obligation, to buy or sell a particular item at a certain price for a limited time. (6)

11 The difference between the current cash price and the nearby futures' contract month's futures price of the same commodity/instrument. (5)

12 Purchase or sale of a put and a call, in which the options have the same

expiration and same strike price. (8)

Down

- 1 The practice of offsetting the price risk inherent in any cash market position by taking an equal but opposite position in the futures market. (7)
- 2 A measurement of the trend of share prices. (5)
- 3 A market commitment. (8)
- 6 Selling a financial instrument which is not held. (5,4)
- 8 Holding securities or commodities in expectation of a rise in prices. (4)

9 Proposal to sell a futures contract at a given price. (5)

10 The unit of increment of price movement for a contract. (4)

11 A relative measure of the sensitivity of an asset's return to changes in the return of the market portfolio. (4)