



U.S. COMMODITY FUTURES TRADING COMMISSION

ENSURING THE INTEGRITY OF THE FUTURES & OPTIONS MARKETS

CFTC GLOSSARY

A GUIDE TO THE LANGUAGE OF THE FUTURES INDUSTRY

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Gamma: A measurement of how fast the **delta** of an option changes, given a unit change in the underlying futures price; the "delta of the delta."

Ginzy Trading: A non-competitive trade practice in which a floor broker, in executing an order—particularly a large order—will fill a portion of the order at one price and the remainder of the order at another price to avoid an exchange's rule against trading at fractional increments or "split ticks."

Give Up: A contract executed by one broker for the client of another broker that the client orders to be turned over to the second broker. The broker accepting the order from the customer collects a fee from the carrying broker for the use of the facilities. Often used to consolidate many small orders or to disperse large ones.

Gold Certificate: A certificate attesting to a person's ownership of a specific amount of gold bullion.

Gold Fixing (Gold Fix): The setting of the gold price at 10:30 a.m. (first fixing) and 3:00 p.m. (second fixing) in London by representatives of the **London gold market**.

Gold/Silver Ratio: The number of ounces of silver required to buy one ounce of gold at current spot prices.

Good This Week Order (GTW): Order which is valid only for the week in which it is placed.

Good 'Till Canceled Order (GTC): An order which is valid until cancelled by the customer. Unless specified GTC, unfilled orders expire at the end of the trading day. See **Open Order**.

GPM: See **Gross Processing Margin**.

Grades: Various qualities of a commodity.

Grading Certificates: A formal document setting forth the quality of a commodity as determined by authorized inspectors or graders.

Grain Futures Act: Federal statute that provided for the regulation of trading in grain futures, effective June 22, 1923; administered by the Grain Futures Administration, an agency of the U.S. Department of Agriculture. The Grain Futures Act was amended in 1936 by the **Commodity Exchange Act** and the Grain Futures Administration became the Commodity Exchange Administration, later the **Commodity Exchange Authority**.

Grantor: The maker, writer, or issuer of an **option** contract who, in return for the **premium** paid for the option, stands ready to purchase the underlying commodity (or futures contract) in the case of a **put** option or to sell the underlying commodity (or futures contract) in the case of a **call** option.

Gross Processing Margin (GPM): Refers to the difference between the cost of a commodity and the combined sales income of the finished products that result from processing the commodity. Various industries have formulas to express the relationship of raw material costs to sales income from finished products. See **Crack Spread**, **Crush Spread**, and **Spark Spread**.

GTC: See **Good 'Till Canceled Order**.

GTW: See **Good This Week Order**.

Guaranteed Introducing Broker: An **introducing broker** that has entered into a guarantee agreement with a **futures commission merchant** (FCM), whereby the FCM agrees to be jointly and severally liable for all of the introducing broker's obligations under the **Commodity Exchange Act**. By entering into the agreement, the introducing broker is relieved from the necessity of raising its own capital to satisfy minimum financial requirements. In contrast, an independent introducing broker must raise its own capital to meet minimum financial requirements.