HSBC

How does the HSBC's Securities Margin Trading Service work?

Example (for illustration only)

Assume stock margin ratio at 60%

	HSBC's Securities Margin Trading Service	**Invest with cash**
Your available capital	HK$10,000	HK$10,000
Total value of eligible stock you can purchase	HK$25,000 [HK$10,000 ÷ (100% - stock margin ratio)]	HK$10,000
Portfolio margin ratio (Total loan amount ÷ Total eligible stock lending limit*)	100% (HK$15,000 ÷ (HK$25,000 x 60%))	—
Assuming that the value of stock increased by 20% after one month		
Total value of your eligible stock portfolio	HK$30,000 (HK$25,000 x 120%)	HK$12,000 (HK$10,000 x 120%)
Profit after stock sold	HK$5,000 (Excluding stock dividends earnings and cost of borrowing)	HK$2,000 (Excluding stock dividends earnings)
Return on investment	50% (HK$5,000 ÷ HK$10,000)	20% (HK$2,000 ÷ HK$10,000)

Based on the above illustration, your return on investment can potentially be **more than** doubled with HSBC's Securities Margin Trading Service.

Please note:
The information in this document does not constitute a solicitation for the purchase or sale of any security or investment. The Bank does not provide investment advice. The purchases and sales of securities involve an element of risk. Prices of securities are subject to downward and upward adjustments, and may become valueless. It is likely that losses will be incurred rather than profit made as a result of buying and selling securities.
Securities Margin Trading Service is not available to US and Canadian residents.

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