



Dear Valued Client,

Kindly take note that Apple stock (AAPL) announced a four-for-one split of its common stock to shareholders of record as of the close of business on August 24, 2020.

Kindly take note that Tesla (TSLA) announces a five for one Stock Split. Each stockholder of record on August 21, 2020, will receive a dividend of four additional shares of common stocks for each then held share.

The Ex-Date for both stocks is August 31, 2020, is the date that determined by Nasdaq when Apple and Tesla common shares will trade at the new split-adjusted price.

Below we give a numerical example for Clients that hold buy or sell positions, to better understand what a stock split means and how your open positions are affected.

Example Buy (long) Position:

- Position of 1 lot buy order at a price of 380 USD on August 1st
- Assuming August 30th closing price 400 USD
- Floating Profit 20 USD
- Forex 24 will proceed to close your order at a price of 380 USD (the price you have opened the order). Therefore profit or loss will be 0
- Forex24 will proceed to open a new order with the below parameters:
- Trade 4 lots buy order at a price of 95 USD (380/4)
- Since the closing price on the 30th of August was at 400 USD it means that the opening price on the 31st of August will be 100 USD (400/4)

- This means your account will show 1 order of 4 lots buy at a price of 95 USD and at a current market price of 100 USD
- Therefore total profit on your account would be 20 USD as it was before the split $\{(4*100)-(4*95)\} = 20$

Example Sell (short) Position:

- Position of 1 lot sell order at a price of 380 USD on August 1st
- Assuming August 30th closing price 400 USD
- Floating Loss 20 USD
- Forex24 will proceed to close your order at a price of 380 USD (the price you have opened the order). Therefore profit or loss will be 0
- Forex24 will proceed to open a new order with the below parameters:
- Trade 4 lots sell order at a price of 95 USD (380/4)
- Since the closing price on the 30th of August was at 400 USD it means that the opening price on the 31st of August will be 100 USD (400/4)
- This means your account will show 1 order of 4 lots sell at a price of 95 USD and at a current market price of 100 USD
- Therefore total loss on your account would be 20 USD as it was before the split $\{(4*95)-(4*100)\} = -20$

Your Forex24 team

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