Market Volatility Disclosure

December 5, 2024 – Captivex Securities, LLC Market Volatility Disclosure

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In periods of market volatility, attempts to cancel an existing order and replace it with a new one may result in the execution of duplicate orders. In such cases, customers will be held fully responsible for both executions and any resulting losses. **High-volume trading at the market open or throughout the day may also cause delays in order executions. These delays may cause the execution prices to deviate significantly from the prices quoted when the order was entered. During such times, market makers may reduce position size guarantees or manually execute orders, which could lead to delays or losses.** To mitigate this risk, customers are strongly encouraged to use limit orders, which provide better price protection and reduce the likelihood of orders being executed at prices that differ significantly from the quoted prices during volatile market conditions.

Quotes

In volatile and heavily traded markets, the price of a security may fluctuate significantly, causing the quotes to differ from the actual price at which the order is executed. The number of shares available at a quoted price can also change rapidly, impacting the availability of a specific price for a given share size. These risks are particularly pronounced for investors using short-term day trading strategies.

Types of Orders

The firm is required to execute market orders promptly, without regard to a specific price. While market orders are executed quickly, the price may differ significantly from the quoted price at the time the order was entered. Limit orders, on the other hand, are executed at the specified price or better, offering price protection. However, there is no guarantee that a limit order will be executed.

In the case of an initial public offering (IPO), securities may trade at a higher price than their offering price, creating a fast market condition. When placing a market order for these "hot stocks" during an IPO, the price may change so rapidly that the quote becomes outdated, increasing the risk of receiving an execution far from the expected price. To mitigate this risk, customers are advised to use limit orders for IPO securities to avoid potential execution at undesirable prices.

Access

Market losses can also occur due to system issues during periods of volatility, particularly if customers are unable to place buy or sell orders. High internet traffic or system capacity issues may hinder access to online accounts, and customers may experience difficulty reaching online representatives. While the firm strives to ensure the availability of electronic systems, it does not guarantee uninterrupted access during periods of exceptionally high volume or market volatility. System performance, internet traffic levels, and other factors may also impact system response times or result in service interruptions.