

Non-expiring futures CFDs

Non-expiring futures CFDs are CFDs which have futures as underlying, but behave as cash CFDs. The price of the non-expiring futures CFD is based on the two most liquid futures contracts on the underlying commodity. Usually those are the two with the nearest expiry date. The contract with the closest expiry date is called the front month contract and the second-nearest expiry date is called the far month contract. Throughout the duration of the front month contract, the price of the non-expiring futures CFD will gradually move from the price of the front month to the price of the far month. Everyday there will be an adjustment to the price of the non-expiring CFD to reflect this gradual move from front to far month. To offset this price adjustment, your position will also receive an adjustment in the form of a credit/debit.

UK Crude example:

Non-expiring market Price – 7135

Far Month Price – 7086

Days till front month expiry – 10

$7135 - 7086 = 49$ points

$49 / 10$ days = 4.9 points

In this example the price, at the end of the day, would be adjusted -4.9 points. To offset this, clients with short positions would be debited 4.9 points and clients with long positions would be credited 4.9 points.

As with expiring futures CFDs, these instruments are not subject to overnight financing and are instead charged a flat annual administration fee of 2.5% for open long and short positions held overnight.

Non-Expiring futures CFDs are available for Coffee C, Copper, Corn, Cotton No 2, Lean Hogs, Live Cattle, Natural Gas, Orange Juice, Palladium, Platinum, Soybean, Soybean Oil, Sugar No. 11, UK Crude Oil and US Crude Oil.