The commodity day, and the date your position stops being optional

> **FIRST NOTICE DAY**
>
> The first date on which the seller of a physically delivered futures contract can formally declare intent to deliver against a buyer's open position. From that day, holding a long position means genuinely being in line to receive the physical good - which is why anyone not equipped to take delivery is out before it.

A commodity future trades almost around the clock, on CME's Globex from Sunday evening to Friday afternoon US time, with grains keeping their own shorter sessions shaped by a century of farming rhythm. But the day is not uniform, and the calendar is not decorative. Both carry structure a trader has to know.

Settlement is a procedure, not the last trade

Each day the exchange publishes an official settlement price per contract, computed from trading in a defined closing window rather than read off the final print. That number - not the last trade - marks every open position to market, moves margin between accounts overnight, and feeds the world's benchmarks and fund valuations. Liquidity clusters into the settlement window for exactly that reason: it is the few minutes when the day's number is being decided. The quiet hours between sessions, meanwhile, are where a market-moving headline meets an empty book - the gap risk you already know from FX and indices, sharpened by commodity volatility.

The dates with teeth

An index future dies gently: cash settles, money moves, done. A physically delivered commodity contract ends in barrels, bushels or bars, and the calendar around that ending is the part of commodities with real consequences.

Last trading day: the final session for the expiring contract. After it, the position is a delivery matter.First notice day: from here, sellers can nominate buyers to receive delivery. Anyone long who cannot accept a thousand barrels is gone before this date - not on it.The roll: positions meaning to stay exposed move to the next month in the days before these deadlines, in a migration you can watch in the volume figures.

Professionals treat these dates as hard rails, and brokers enforce them for retail accounts by force-closing positions held too close to delivery. April 2020's minus $37.63 was this calendar doing its work: expiry arrived, storage was full, and the holders still in the expiring contract discovered what the promise was worth when nobody could take the barrels. The date turned a paper position into a physical problem.

The habit to build

Before trading any commodity contract, know three dates: when it stops trading, when notice begins, and when the volume actually migrates. Your wrapper may hide the mechanics; module 3 covers what its roll costs you. The calendar underneath is the same either way - and it does not negotiate.

Check your understanding

1. What is the daily settlement price?

a. The last trade of the session

b. An official price computed from a defined closing window, used to mark positions and move margin

c. The average of the day's high and low

Answer: b. Settlement is a published procedure, not the final print. It decides the margin that moves overnight and feeds benchmarks - which is why liquidity concentrates into the window that sets it.

2. Why does first notice day matter to anyone holding a long position?

a. The contract's spread widens permanently after it

b. From that date the position can be nominated to receive physical delivery

c. It is the last day the position can be closed

Answer: b. From first notice day, sellers can deliver against open longs. Anyone not equipped to accept the physical good exits beforehand - and brokers force-close retail positions that linger.

3. What did the April 2020 WTI expiry demonstrate about the delivery calendar?

a. That exchanges cancel delivery when conditions are extreme

b. That at expiry with storage full, the physical obligation - not the chart - set the price

c. That negative prices are now common in oil

Answer: b. Holders still in the expiring contract had promised to take barrels nobody could store. The May contract settled at minus $37.63: the calendar converted paper into a physical problem at exactly the advertised moment.