

The all-in cost of one futures trade

THE FUTURES ALL-IN

Every cost of a specific trade over its actual holding period: the stack's round turns - including the rolls' - the spreads crossed, the roll gaps paid, slippage in whole ticks, and the capital line. Assembled per trade, per holding period, exactly as three tracks taught - with the futures twist that most lines are the platform's smallest and the assembly still decides marginal trades.

Fourth costs module, same closing move: the lines priced separately get assembled into the number the trade's target must clear. Futures assemble the platform's smallest lines - and the assembly still matters, because futures margins for error are thin by design.

One position, assembled

A one-contract index future held one quarter, at the module's worked figures: £6 of round turn, £20 of entry-exit spread at one tick each way, one roll - £6 of round turn again wearing £20 of spread across two crossings, plus the £200 roll gap... the honest version nets the roll's instalment against the arithmetic already counted, and the clean assembly reads: $£6 + £20 + £40 + £20 + £32$ of capital's price = £118 on £80,000 of exposure for the quarter. A few basis points - the platform's cheapest maintained exposure, priced honestly at last.

The shape by trade type

Day trades: the stack and the spread, times frequency - the overheads' hurdle looms largest here, and everything else vanishes. Held positions: the roll dominates with holding period, as lesson 5 placed it - plus the capital line the long horizon accrues. Event trades: the slippage budget doubles and quantises - lesson 6's staircase around the calendar's minutes.

The comparison, and the module's close

The assembled number completes the three-wrapper comparison this platform has built across four tracks: futures' few basis points against the CFD meter against ownership's zero-with-everything-parked - per idea, per holding period, decided by arithmetic. The module's close: futures costs are the platform's most honest and mostly its smallest, the two standing exceptions - the roll and the cash machinery - are exactly where the reading matters, and every line now has a number module 6 can charge. Module 4 next: the risk machinery for an asset class where leverage is the structure, not a choice.

Check your understanding

1. Which cost line dominates a held futures position, and why?

- a. The commission stack
- b. The roll: the only line that accrues per expiry for as long as exposure is maintained - holding period scales it while everything else stays one-off
- c. The spread

Answer: b. Lesson 5's placement, confirmed in the assembly: the standing cost stands, and the worked quarter's largest line is the roll's instalment plus its crossings.

2. What makes the futures all-in 'a few basis points' still worth assembling?

- a. Regulatory reporting requires it
- b. Futures margins for error are thin by design: marginal trades and high frequencies live or die on lines this small, and module 6 charges them all
- c. The lines grow over time

Answer: b. Cheap is not free, and the asset class's precision cuts both ways. The assembly is the same discipline as ever - the target must clear the number, however small the number.