The visible stack: commissions, fees and the round turn

> **THE FUTURES COST STACK**
>
> Everything itemised, nothing bundled: broker commission per contract per side, exchange and clearing fees, regulatory slivers, platform and data charges. The honest consequence of module 1's central book - no spread to hide charges in - and the comparison unit is the all-in round turn per contract, computed once per broker and per contract family.

Module 1 promised that the market's own quote pushes costs into the open. This is the open: the most itemised cost structure on the platform, and the easiest to compare once one habit is installed.

The stack, line by line

Broker commission: quoted per contract per side - so double it for the round turn, the honest unit four tracks have insisted on.Exchange and clearing fees: fixed per contract, set by the exchange, identical through every broker - the floor under all comparisons.Regulatory slivers: small per-contract charges, real, bundled into most quotes.The standing overheads: platform rent and per-exchange data subscriptions - lesson 7's subject, flagged now because they are the stack's only non-per-trade lines.

The comparison, done honestly

All-in round turn per contract: commissions both ways plus fees, one number per broker per family. The number is small - liquid index futures round-trip for a few units of currency - and the smallness is the trap: per contract it is trivial, but per contract is the wrong denominator for a small account. A cost that is noise against a full-size contract's notional is a real tax against a micro's - lesson 8's subject - and frequency multiplies everything: the day trader pays the stack dozens of times a week, and module 6 will charge every simulated trade the same way.

The habit, and the frame

Compute the round turn once per family, write it beside the tick value from module 2, and every cost estimate for the rest of the track is two multiplications. The frame to carry: futures costs are low, explicit and flat - which rewards size and activity done deliberately, punishes smallness proportionally, and hides absolutely nothing. The rest of the module prices the parts the stack cannot show: the spread, the roll, and the machinery's demands on cash.

Check your understanding

1. Why is the futures cost stack fully itemised where other instruments' are not?

a. Regulation requires futures itemisation

b. There is no broker quote to bundle costs into: the central book's price belongs to the market, so every charge must appear as its own line

c. Futures brokers compete harder

Answer: b. Module 1's inversion has a costs corollary: nothing can hide in a spread nobody owns. The stack is honest by construction - and honestly demanding of comparison arithmetic.

2. Why is 'per contract' the wrong denominator for judging the stack's weight?

a. Contracts vary by exchange

b. The stack is flat per contract, so its weight depends on the notional behind the contract and the account's size - trivial against full-size notionals, a real tax on micros

c. Commissions scale with price

Answer: b. Flat costs are regressive - the platform's standing observation. The round-turn number means nothing until set against the notional it buys and the account paying it.