Expiry: cash or delivery

> **EXPIRY**
>
> The date the promise falls due, ending one of two ways per the spec: cash settlement - a final mark against the underlying's official value, one last variation payment, done - or physical delivery, with the commodities track's notice machinery ahead of it. Every open position meets one of these endings or is closed or rolled first, and which ending, on what date, is the first thing the spec said.

Four tracks have taught calendars with teeth. The futures module closes by sorting the teeth into their two kinds - because the spec already told you which kind your contract carries.

The cash ending

A cash-settled contract expires into arithmetic: a final settlement value is computed from the underlying - often via a special opening or closing procedure the spec names - the last variation margin moves, and the position simply ceases. No delivery, no notice period, no barrels. The gentlest ending on the platform - with its own sharp edge: the final settlement procedure concentrates enormous obligated flow into one calculation window, and the indices track's auction lessons explain the crowd.

The physical ending

The commodities machinery, unchanged: last trading day, first notice day, and the delivery obligation for positions that linger - that track's lessons apply verbatim to every physical contract here.The retail rule is also unchanged: accounts not equipped for delivery are out before notice, and brokers enforce it by force-closing - the date was on the spec, and surprise remains a process failure.The families differ in danger, not in discipline: cash expiries end positions politely; physical ones end them with logistics - but both end them, which no other instrument on this platform ever promised.

The module, closed

Nine lessons assemble to one description: a futures position is a standardised promise (1), guaranteed by architecture (2), traded among a mostly-mechanical cast (3), defined entirely by a one-page spec (4), settled in truth nightly (5), priced by the market's own book (6), tethered to its underlying by carry (7), sized at institutional scale (8), and ended - by cash or by barrels - on a published date (9). Everything is explicit, everything is scheduled, and everything collects. The rest of the track prices, reads, risks and reviews exactly that machine - and module 8 concludes the roll and the curve, as promised from the first lesson.

Check your understanding

1. How does a cash-settled expiry end a position?

a. The broker closes it at the last trade

b. A final settlement value is computed from the underlying, the last variation margin moves, and the position ceases - arithmetic, on the spec's procedure

c. It converts to the next month automatically

Answer: b. The promise about a number is kept by a number. The one sharp edge is the settlement window itself, where obligated flow concentrates into the named calculation.

2. What distinguishes futures from every other instrument on the platform, per this module's close?

a. Higher leverage than CFDs

b. Everything is explicit and scheduled - the spec defines it, the mark settles it nightly, and the expiry ends it on a published date. And everything collects

c. Lower costs than cash equities

Answer: b. The asset class's honesty is total: no hidden quotes, no deferred losses, no positions without endings. The disciplines it demands are the features, priced.