

The continuous chart, revisited for every family

THE SPLICE, GENERALISED

Every futures family's long-run chart is a stitched series - the commodities lesson was never about commodities, but about dated contracts, which is all of futures. Back-adjusted for changes, unadjusted for levels, explicit symbols for truth: the rules transfer to every family, with the seam sizes varying by each family's carry.

The commodities track's splice lesson turns out to have been a futures lesson wearing barrels. This module restates it as the general law, with the family-by-family calibration the board makes visible.

The law, restated

Every continuous futures chart is a construction: months joined at rolls, with a seam at every join sized by the basis between the months. Back-adjusted series make changes true and levels fictional; unadjusted series the reverse - the two-construction rule, unchanged. The explicit month's own chart is always honest and always short - the board's symbols are the primary source when a question is about one contract's truth.

The family calibration

The seam size is the carry: financial futures with thin, financing-shaped curves produce small seams - a spliced equity-index chart misleads gently, which is why the error survives unnoticed; physical families in steep contango or backwardation produce the commodities track's violent seams; and seasonal families produce seasonal seams - the winter-summer joins in the calendared products are structure, not events. The reader's rule: know a family's typical basis before trusting its continuous chart's features at the joins, and assume every long-run futures chart in the wild is spliced by a method its publisher did not state.

What this module's reading rests on

The board is the antidote throughout: months read explicitly, curves read as shapes, rolls watched in the OI column - none of it needs the continuous alias. The alias earns its keep for long-horizon context and indicator arithmetic on back-adjusted data; the board earns everything else. Two tracks taught this the hard way; this module inherits it as settled law, and module 6 will enforce it in every backtest.

Check your understanding

1. Why do spliced equity-index futures charts mislead 'gently'?

- a. Their data quality is higher
- b. Their carry is thin: financing-shaped bases make small seams - the error is real but survives unnoticed, unlike the violent physical-family seams
- c. They are adjusted daily

Answer: b. Seam size is basis size. Thin curves stitch quietly - which makes the financial families the place the splice error hides longest.

2. When is the explicit month's chart the required source?

- a. For all charting, always
- b. When the question is about one contract's truth - its levels, its prints, its expiry behaviour - where the alias's construction cannot answer honestly
- c. Only in physical families

Answer: b. The alias serves long-horizon change-reading on back-adjusted data; the symbol serves truth about a promise. Choosing per question is the settled law.