

The all-in cost of a round trip

CONTRACT SPECIFICATIONS AND ALL-IN COST

A broker's contract specification page states, per instrument, everything this module priced: contract size, pip size, spread type, commission, swap rates and their triple-charge day, and margin requirement. Reading it before trading lets you compute a position's all-in round-trip cost - spread plus commission plus financing, converted to pips - which is the number that decides whether an idea is worth its bill.

Every number this module used lives on one page your broker publishes for every instrument: the contract specification. Most beginners never read it. It is the price list for the shop they are standing in.

What is on the specification page?

The contract size, which anchored every pip value in lesson 2. The pip or tick size. Whether the account's pricing is all-in or raw plus commission, from lesson 4. The swap rates, one per direction, and which evening carries the triple charge, from lesson 6. The margin requirement, from lesson 7. Minimum and maximum position sizes, and the minimum distance a stop may sit from price - a small number that quietly shapes what plans are even placeable.

The same page exists for metals, indices and everything else your broker offers, with different contract sizes and different financing formulas. Those variations belong to their own tracks; the reading habit transfers as-is.

How do the lines add up on a real position?

The worked example prices one held position end to end: the spread from lesson 3, the commission from lesson 4, and a full week of financing from lesson 6 with the triple night counted. One addition at the end, then one division by pip value to put the bill in pips. That final number is the position's break-even distance, and it is the module's whole argument in a single figure.

What did this module actually teach?

That the costs of trading are computable in advance, to the pip, from published numbers. Nothing here required a prediction, a chart or an opinion. A beginner who runs this arithmetic before each trade knows something most losing accounts never learn: exactly how much being right must pay before it pays them.

Worked example - figures in USD

The full bill for 0.5 lots of EUR/USD held five trading days - seven charged nights including the triple - at a 0.9 pip spread, \$7.00 commission per lot, and -\$8.20 per lot per night.

1. Spread, from the specification's typical figure: 0.9 pips at 0.5 lots is \$4.50.
2. Commission, where the account charges one: \$7.00 per lot makes \$3.50.
3. Financing for the week: -\$8.20 per lot per night across 7 charged nights - triple night included - comes to \$28.70.
4. The all-in bill: \$36.70, which at \$5.00 per pip is 7.34 pips. Price must travel that far in your favour before this position has made anything at all.

What this means for you

Find the specification page for the pair you trade most and read every line against this module's lessons - each one should now mean something specific. Then price your usual trade, all-in, in pips. Write the number where you can see it when you plan. Module 4 builds risk management on top of this arithmetic, and it assumes the bill is known before the risk is chosen.

Try it yourself with the break-even calculator: <https://ticksprout.com/tools/break-even>

Check your understanding

1. Where do the numbers for a position's all-in cost come from?

- a. The broker's contract specification page - published, per instrument
- b. Historical charts
- c. They can only be known after the trade closes

Answer: a. Spread type, commission, swap rates, triple-charge day and margin requirement are all published per instrument. Nothing needs a chart, and the point of the module is that the bill is computable before entry, not after exit.

2. Why convert the all-in cost into pips at the end?

- a. Pips are more precise than money
- b. It turns the bill into a break-even distance, directly comparable with the move the trade expects
- c. Brokers require it

Answer: b. The conversion puts cost and expectation in the same unit. A bill of so-many pips against an expected move of so-many pips is a one-line viability check - which is the module's closing habit. Precision and broker rules have nothing to do with it.

3. Which line of the bill changes if the same position is closed the same day instead of held a week?

- a. The spread
- b. The commission
- c. The financing

Answer: c. Spread and commission are charged per round trip regardless of holding time. Financing accrues per night held - close before the roll and the line is zero; hold a week and it is seven charged nights.