TRADING 212

Rollover Adjustment Calculations example

You hold a `BUY` position with 100 units of Oil futures contracts. Oil futures rates at the time of rollover are:

- Current contract BUY price = $50.50
- Current contract SELL price = $50.45

- New contract BUY price = $52.50
- New contract SELL price = $52.45

The Rollover Adjustment is calculated in the following way:

SELL price difference = (New contract SELL price) - (Current contract SELL price) = $52.45 - $50.45 = $2

*BUY position result adjustment = - [(Quantity) * (SELL price difference)] = - (100 * $2) = - $200*

BUY price difference = (New contract BUY price) - (Current contract BUY price) = $52.50 - $50.50 = $2

*SELL position result adjustment. = [(Quantity) * (BUY price difference)] = (100 * $2) = + $200*