

Advantages of Trading Futures

- **Efficient Market**
 - Typically 1 tick spread (0.025%)
- **Regulated Exchanges**
 - CME - CFTC - NFA
- **Low Commissions**
 - \$1.75 - \$2.25 per Side
- **Electronic Trading**
 - Approx 24 hrs 5+ days per week
- **Leverage**
 - Approximately 1% (\$50K for \$500)

Advantages of Trading Futures

- No Pattern Day Trading
 - \$3,500 vs \$25,000
- Liquidity
 - ES @ \$100Billion Daily
- Tax Advantages
 - 60/40 Rule - Long Term vs Short Term
- Diversity
 - Index
- No Interest
- Short vs Long
- Volume Analysis

Order Types

- **Market Orders**
 - Next Available Price
- **Limit Orders**
 - Designated Price
- **Stop Orders**
 - Stop Loss (Market)
 - Buy Stop (Market)
 - Sell Stop (Market)
- **Trailing Stop**
- **OCO Bracket Order**
 - Internet Crash
- **Multi Bracket**

Simulated vs Live Trading

- **Order Fills**
 - First Come First Served
- **Slippage**
 - Not Reflected in SIM
- **Commissions**
 - Typically Not Included
- **Psychology**
 - Start Small

Margin

- **Margin - Deposit**
 - Market Dependent
 - Volatility
- **Day Trade Margin**
 - 1% (\$500)
 - Flat by 4:15 EST
 - Globex
- **Overnight Margin**
 - Initial Approximately 7.5%
 - \$3,850 ES
 - Maintenance 80% of Initial
 - \$3,500
 - \$7,350 for ES

Trading Futures

- <http://www.cmegroup.com/>
- <http://www.investopedia.com/>

<http://www.cmegroup.com/education/a-traders-guide-to-futures.html>

Contract Specifications

<u>Sym</u>	Contract	<u>Exch</u>	Trading Hours	Size	Months	Tick Value	Point value
6E	Euro FX	CME	5:00p.m. - 4:00p.m. (Sun-Fri) CST	EUR 125,000	HMUZ	0.0001 points (\$12.50 per contract)	\$125,000
CL	Crude Oil WTI	NYMEX	5:00p.m. - 4:15p.m. (Sun-Fri) (RTH 8:00a.m. - 1:30p.m.) CST	1,000 U.S. barrels (42,000 gallons)	FGHJKMNQUVXZ	1 cent per barrel (\$10.00 per contract)	\$1,000
ES	E-Mini S&P 500	GBLX	5:00p.m. - 4:15p.m. (Sun-Fri) CST	\$50 times Index	HMUZ	0.25 points (\$12.50 per contract)	\$50
GC	Gold	COMEX	5:00p.m. - 4:15p.m. (Sun-Fri) (RTH 7:20a.m. - 12:30p.m.) CST	100 fine troy ounces	GJMQVZ	0.10 (10 cents) per troy ounce (\$10.00 per contract)	\$100
HG	High Grade Copper	COMEX	5:00p.m. - 4:15p.m. (Sun-Fri) (RTH 7:10a.m. - 12:00p.m.) CST	25,000 pounds	HKNUZ	0.0005 cents per pound (\$12.50 per contract)	\$25,000
NG	Natural Gas	NYMEX	5:00p.m. - 4:15p.m. (Sun-Fri) (RTH 8:00a.m. - 1:30p.m.) CST	10,000 <u>MMBtu</u> (million British thermal units)	FGHJKMNQUVXZ	0.1 cent per <u>MMBtu</u> (\$10.00 per contract)	\$10,000
NQ	E-Mini <u>Nasdaq</u> 100	GBLX	5:00p.m. - 4:15p.m. (Sun-Fri) CST	\$20 times Index	HMUZ	0.25 points (\$5.00 per contract)	\$20
TF	Russell 2000 Mini	ICEUS	7:00p.m. - 3:15p.m. (5:00p.m. start on Sunday) CST	\$100 times Index	HMUZ	0.1 points (\$10.00 per contract)	\$100
YM	DJIA mini-sized	CBOTM	5:00p.m. - 4:15p.m. (Sun-Fri) CST	\$5 times Index	HMUZ	1 point (\$5.00 per contract)	\$5
Z	FTSE 100	LIFFE	2:00a.m.-11:30a.m CST	€10 x Index	H,M,U,Z	.5=€10.00	
ZC	Corn	CBOT	7:00p.m. - 7:45a.m. and 8:30a.m. - 1:15p.m. (Sun-Fri) CST	5,000 bushels	HKNUZ	1/4 cent per bushel (\$12.50 per contract)	\$50
ZS	Soybeans	CBOT	7:00p.m. - 7:45a.m. and 8:30a.m. - 1:15p.m. (Sun-Fri) CST	5,000 bushels	FHKNQUX	1/4 cent per bushel (\$12.50 per contract)	\$50

Contract Expiration 2013-2014

Contract	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
6E		12/16			03/17			06/16			09/15	
CL	10/22	11/20	12/19	01/21	02/20	03/20	04/22	05/20	06/20	07/22	08/20	09/22
ES		12/20			03/21			06/20			09/19	
GC	11/26	12/27	01/29	02/26		04/28		06/26		08/27		10/29
HG	11/26	12/27	01/29	02/26	03/27	04/28	05/28	06/26	07/29	08/27	09/26	10/29
NG	10/29	11/26	12/27	01/29	02/26	03/27	04/28	05/28	06/26	07/29	08/27	09/26
NQ		12/20			03/21			06/20			09/19	
TF		12/20			03/21			06/20			09/19	
YM		12/20			03/21			06/20			09/19	
Z		12/20			03/21			06/20			09/19	
ZC		12/13			03/14		05/14		07/14		09/12	
ZS		12/13			03/14		05/14		07/14		09/12	