

FUTURES LINGO

Closing



Price

WHAT IS CLOSING PRICE IN FUTURES TRADING?

The **last price** at which a futures contract was traded during the trading day.



CHARACTERISTICS OF FUTURES CLOSING PRICE



Benchmark

Used as a benchmark to value a futures contract by comparing it with previous close prices.



Sentiment

An indicator of the market sentiment at the end of the trading day.



Settlement

Used to determine the settlement price of a futures contract and is crucial for contract settlement.



Reference

Serves as a reference point for the opening price of the next futures trading session.

EXAMPLE

The crude palm oil futures (FCPO) has three trading sessions. For example, the opening price and closing price of FCPO on 7 January 2025 is shown below:

	Opening Price	Closing Price
Morning Session	5,200	5,230
Afternoon Session	5,230	5,238

Therefore, the closing price of FCPO on this trading day is **5,238**.