

FUTURES LINGO

UNDERLYING ASSET



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WHAT IS UNDERLYING ASSET IN FUTURES TRADING?



Definition

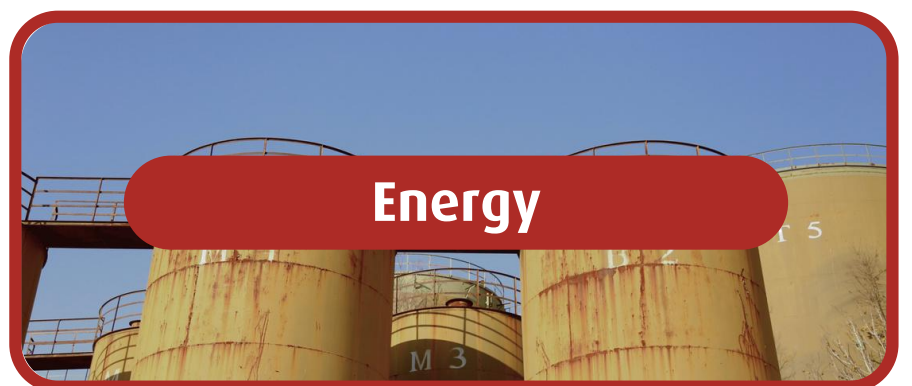
The financial asset used to determine the price of a futures contract.

Importance

Analyzing the underlying asset helps traders review market trend and make informed decisions.



TYPES OF FUTURES UNDERLYING ASSETS



EXAMPLES

Crude Palm Oil Futures (FCPO)

Underlying Asset:
Crude palm oil



FTSE Bursa Malaysia KLCI Futures (FKLI)

Underlying Asset:
FTSE Bursa Malaysia Kuala Lumpur
Composite Index (FBM KLCI)