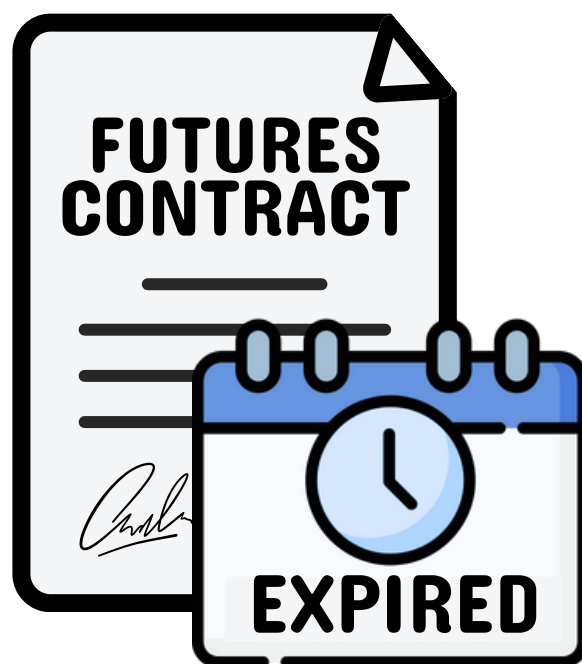


FUTURES LINGO

FUTURES EXPIRATION



WHAT IS FUTURES EXPIRATION?

Final trading day for a futures contract which will settle either in cash or physical delivery.



Traders often **rollover** the contract to maintain market exposure beyond a contract's expiration.



Expiration dates are **standardized** by the exchange which is crucial for managing positions in futures markets.



IMPACT OF FUTURES EXPIRATION

Volatility

Futures contract prices **tend to be volatile** near expiration, as traders left with lesser time to close or roll over their positions.



Liquidity

Liquidity may decrease as futures contracts approach expiration, with reduced trading activity making it difficult to execute trades at favorable prices.



Arbitrage Opportunities

Arbitrage opportunities **diminish** as the futures contract nears expiration, forcing the futures price to align with the current market price.



EXAMPLES

Monthly Expiration

Most common type, where contracts expire on a specific day each month.

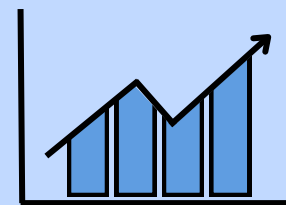
Gold Futures



Soybean Futures



FTSE China A50 Index



Quarterly Expiration

Contracts expire at the end of each quarter (Mar, Jun, Sept, Dec).

E-Mini Nasdaq 100
Index Futures



E-mini Dow Jones
Futures

10 Year US Treasury
Notes Futures



HL Futures



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