



FUTURES 

SPECULATE



Definition

Take positions based on anticipated price movements to profit from market fluctuations.



Users

Individual traders speculate and attempt to earn profit from the price movement by either initiating a buy (long) or sell (short) position in futures contracts.

SPECULATING EXAMPLE



You are a trader who believes that the price of Kuala Lumpur Composite Index will rise due to positive economic data and strong corporate earnings.



You decide to initiate a long position by buying one FKL1 futures contract.



The market moves in your favor three weeks later. The futures contract surges and you gain a profit.