

FUTURES LINGO 

INTRADAY TRADING

WHAT IS INTRADAY TRADING?

Definition

It refers to where futures are bought and sold within the same day, with all positions closed before the market closes.

Time Frame

Intraday futures traders initiate and close positions within hours, minutes, or even seconds.

Purpose

Intraday futures traders aim to profit from short-term price fluctuations.

WHY CHOOSE INTRADAY TRADING?



Avoid overnight market risk

Exposure to unexpected market events are reduced since no positions are held overnight.



Increased Trading Flexibility

Take advantage of short-term price movements in capturing small price changes throughout the day.



Higher Trading Opportunities

Active participation of high frequency traders in the contract will increase the volatility and volume.

EXAMPLE

11 September 2024

11:06 AM

You buy one lot of FCPO @3,734 with the expectation that the price of crude palm oil will go up.

03:17 PM

You close your position @3,780 and make a profit of RM1,150.

The transaction occurs within the same day and all positions are closed before the market closes, hence why it is referred to as intraday trading.



Note: Minimum fluctuation of FCPO is 1 pt = RM 25