Commodity Rollover Information & Calculation:

AVATRADE quotes futures contracts on many of its non–FX instruments; specified under the "Quoted Months" column of the Trading Conditions for that Instrument.

When a Futures Contract approaches its *Expiry Date* or *First Notice Date* AVA will Rollover all Open Positions to the next Tradable Contract at the time specified in the **CFD Rollover Dates** section of our website.

Clients with Open Positions who do not wish to have their positions Rolled Over into the Next Contract should close their positions before the Scheduled Rollover.

AVATRADE adjusts accounts with Open Positions in Maturing Instruments to ensure Clients to not Gain/Lose due to differences in Price between Old & New contracts. Clients will incur costs in relation to the Spread Cost in closing the Old contract and Opening the New Contract and a Standard O/N Premium charge.

To Calculate the Rollover AVATRADE takes a MID Rate for the Old Contract (Current Traded Contract) and the New Contract (Next Tradable Contract) at exactly the same time before the contract closes for trading. We then calculate the **Difference** in Price between Contracts, adjust this for our **Spread** and **Overnight Premium Costs**, and the resulting amount is either Credited or Debited to the clients account via Premiums.

Note: There are NO other costs incurred by Clients involved in the rolling over of Futures Contracts.

Formula used by AVA for calculating a Rollover Charge:

(Amount x (New Contract Price – Old Contract Price)) + (Spread Costs*) + (Overnight Premium Costs)

*Spread Costs are calculated based on Market Spreads at the time of the Rollover Calculation.

General Rule of Thumb:

New Price < Old Price = Credit for Long Positions / Debit for Short Positions

New Price > Old Price = Debit for Long Positions / Credit for Short Positions

Example 1

For a 10 barrel Crude Oil Trade, with a Market Price of $98.50 and a Difference in Contracts of +50 Pips ($0.50), the calculation is as follows:

Long Position: (10 x -0.50) + (-0.04 x 10) + ((10 x 98.50 x -0.002 x 1)/360)) = -5.00 + (-0.40) + (-0.01) = -$5.41
Short Position: (10 x +0.50) + (-0.04 x 10) + ((10 x 98.50 x -0.002 x 1)/360)) = 5.00 + (-0.40) + (-0.01) = +$4.59

Example 2

For a 1 bushel Soybean Trade, with a Market Price of $1450 and a Difference in Contracts of -6,000 Pips (-$60), the calculation is as follows:

Long Position: (1 x +60.00) + (-1.25 x 1) + ((1 x 1450 x -0.0025 x 1)/360)) = 60.00 + (-1.25) + (-0.01) = +$58.74
Short Position: (1 x -60.00) + (-1.25 x 1) + ((1 x 1450 x -0.0025 x 1)/360)) = -60.00 + (-1.25) + (-0.01) = -$61.26

All Rollover Adjustments are calculated in the Currency the Instrument is denominated in. If your account is denominated in a different currency the system will automatically convert this to the Currency of your Account using the Market Rate at that time.

All upcoming Rollover Dates for ALL Instruments can be found on the AVATRADE CFD Rollover Dates page: http://www.AvaTrade.com/CFD-Rollover-Dates/

AVATRADE cannot provide Rollover Adjustment Information before the Adjustment occurs, if clients do not wish to incur a Rollover Adjustment please close Open Positions in Maturing Instruments before the Scheduled Rollover.