Kanak Capital Markets

Policy on CFDs on Futures and Indices

Latest updated in January 2025

1. No Expiration Date

Contracts for Difference (CFDs) on futures and indices do not have an expiration date, unlike traditional futures contracts.

2. Automatic Rollover

Unless you close the relevant CFD positions, CFDs on indices and futures with index futures as the underlying asset will be automatically rolled over to the next underlying futures contracts. The price of these contracts will be adjusted accordingly. This process is known as the Expiration Rollover.

3. Spread Charges

Whenever an Expiration Rollover occurs, a spread charge based on the underlying future being rolled over will be applied. This means you will incur a cost equal to the spread of the new underlying futures contract.

4. Managing Open Positions

To avoid having your open CFD positions rolled over to the new tradable futures contract, you must close these positions and/or cancel any open orders before the rollover date. Failure to do so will result in the positions being automatically rolled over and adjusted to reflect the new contract's price.

5. Important Considerations

i. **Rollover Dates:** Stay informed about the upcoming rollover dates for your CFDs on futures and indices.
ii. **Spread Implications:** Understand that the spread charge can impact your trading costs and overall profit or loss.
iii. **Monitoring Positions:** Regularly monitor your open positions and plan your trading strategy accordingly to manage rollover events.

By adhering to these guidelines, you can effectively manage your CFD positions on futures and indices and avoid unexpected costs and adjustments.