



## WTI Oil and Brent Oil Price Calculation

The price of both Brent Crude Oil (.BrentCrude/.BrentCrude#) and WTI Crude Oil (.WTICrude/.WTICrude#) Spot CFDs do not fully reflect the price of the equivalent Futures contracts of the respective months. Instead, these are derived as a weighted average of a current and the following month Futures contracts.

For more detail, please find below the exact formula for the Spot Oil pricing:

**[(1 - D/N) x Relevant Price of Current Contract]**

**+**

**[(D/N) x Relevant Price of Following Contract]**

### **Where:**

**D** is the number of Commodity Business Days from (and including) the Previous Expiration Date to (but excluding) the Rollover Date.

**N** is the number of Commodity Business Days from (and including) the Previous Expiration Date to (but excluding) the Next Expiration Date.

*Next Expiration Date* is the date of expiration of the Current Contract.

*Previous Expiration Date* is the date of expiration of the Previous Contract prior to the Rollover Date.

Rollover Date is the second Commodity Business Day after the current Business Day.

Relevant Price is the price determined in accordance with the commodity reference price and the settlement price.

### **This new pricing method offers two main advantages:**

- The possibility to rollover your positions from the current month to the following month in smaller daily increments, which allows you to avoid paying the full difference when close to expiration.
- Reduction in the level of volatility when the current Futures contract approaches expiration, when there is often less liquidity.

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