Swissquote

SPOT CFD
WTI CRUDE OIL

Factsheet

OILUSD is an OTC financial derivative product which tracks the price variation of the WTI Crude Oil benchmark – the world's most traded commodity.

It is structured by Swissquote as a non-expiring CFD product and serves as an alternative to the Swissquote's offering on monthly expiring exchange traded WTI Futures.

PRICE

Swissquote forms its proprietary estimation of the spot price by extrapolation based on the underlying Futures curve. Subsequently, a constant is added.

Spot price = CL1 - basis estimation* time factor

where:

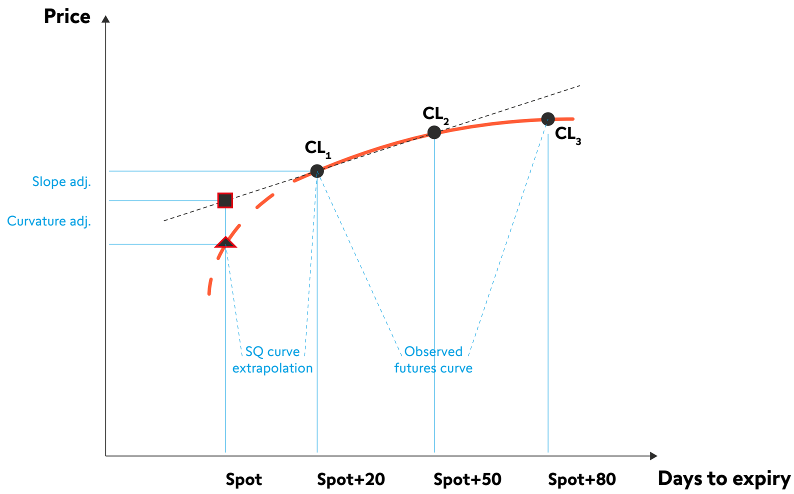
basis estimation = (slope adjustment - curvature adjustment)

CL1 is typically the earliest maturing active contract provided that liquidity and other factors are sufficient

Slope adjustment is a positive quantity when the curve is in contango and slope adjustment is a negative quantity when the curve is in backwardation

Curve adjustment is a positive/negative quantity when the part of the futures curve on which the extrapolation is based is convex/concave

Time factor is a diminishing function of the **CL1** remaining days to expiry



OVERNIGHT FUNDING

Due to the non-expiring feature of the product, overnight funding is credited/debited as a cash adjustment in clients' accounts on a daily basis for positions opened before 23:00 CET and still held after this moment. For positions held from Friday's trading session to Monday, triple funding is applied.

Overnight funding is a positive function of Swissquote's basis estimation.

Typically, long/short positions pay/receive in a contango market (positive basis) and vice versa when in backwardation (negative basis).

LIQUIDATION OF POSITIONS

The client shall read carefully the terms and conditions governing the trading of the OILUSD CFD product, including but not limited to the General Terms and Conditions, the Special Terms and Conditions for Forex, the Forex Risk disclosure Statement and any other disclaimer published on Swissquote's website or trading platforms. The OILUSD CFD product's margin requirement and liquidation system is governed in particular by Swissquote's Special Terms and Conditions for Forex. The client shall ensure that sufficient margin is kept at any time and shall consult on a regular basis Swissquote's website page on required margin in this respect. Anytime the equity does not meet the minimum margin requirement, open positions will be closed automatically at the prevailing price slope.

Additionally, Swissquote can decide to cease temporarily or definitely offering prices and accepting orders for the OILUSD CFD product and automatically close all open positions. In particular, in the event the price of the OILUSD CFD product reaches or falls below USD 10, Swissquote reserves the right to close at it sole discretion, and even if margin requirements are met, all or part of the open positions held by the client at the best available market prices. The client is aware that this is in no event a guarantee to cap the client loss. The client is aware that the underlying product (WTI Crude Oil) can go negative and/or be non-tradable and is aware about the financial consequences this might lead to.

DISCRETIONARY FORMULA ADJUSTMENTS

Swissquote reserves the right to:

- Utilize as **CL1** any other active contract with another maturity than the earliest expiring