Contract for Difference (CFD)

A Contract for Difference (CFD) is an over-the-counter (OTC) derivative which enables investors to trade on the exposure created from the price movements of an underlying financial instrument and in this way, the investor participates in the returns (positive or negative). By trading on a CFD of an underlying financial instrument, the owner of the CFD does not physically acquire the financial instrument.

A CFD is a contract between two parties who agree to exchange the difference in value between the opening and closing value of the contract.

Rollover interest

Positions held open overnight are charged rollover interest. In the case of forex instruments, the amount credited or charged depends on both the position taken (i.e. long or short) and the interest rate differentials between the two currencies traded. In the case of stocks and stock indices, the amount credited or charged depends on whether a short or a long position has been taken.

Kindly note that rollover interest is only applied to cash instruments. In the case of futures products, which have an expiry date, there are no overnight charges.

CFDs on Stocks

A stock is a type of security, that allows an investor to own a part of a company with the right to vote on management issues and to receive profit based on the results of the corporate work. A stock CFD is the contract-for-difference of a specific stock that allows traders to speculate on the direction of the stock price and open a position accordingly, long/buy position if they believe the price will rise, short/sell position if the speculation is that the price will fall.

Quality FX Ltd operating under the trading name Quality FX is registered in the Marshall Islands under registration number 118067. Registered Address: Trust Company Complex Ajeltake Road, Ajeltake Island MH96960 Majuro, Marshall Islands.