Key Information Document

Rolling FX Spot

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, costs, risks and rewards of this product and to help you compare it with other products.

Product

Rolling FX Spot
The manufacturer of this product is Saxo Capital Markets UK Limited ('SCML') - https://www.home.saxo/en-gb
Contact us on +44 (0)20 7151 2000
SCML is under the supervision of the Financial Conduct Authority (FRN 551422)
This Key Information Document was produced on 1st January 2023

Alert

You are about to purchase a product that is not simple and may be difficult to understand.

What is this product?

Type

Rolling FX Spot is a leveraged contract entered with SCML on a bilateral basis, where the profit is to be secured or loss avoided by reference to fluctuations in an underlying currency pair, such the Euro (EUR) against the U.S. Dollar (USD), referred to as EURUSD, for immediate delivery.
Visit home.saxo for further information in relation to the underlying currency pairs available.

Objectives

The objective of trading Rolling FX Spot is to gain exposure to fluctuations (whether up or down) related to the currency pair without owning it. Your return depends on the performance (or movement) of the currency pair and the size of your position.

This product is traded on margin. Margin refers to the use of a certain amount of capital to support an investment of a larger exposure. Please note that margin trading requires extra caution, because whilst you can realize large profits if the price moves in your favour, you risk extensive losses if the price moves against you.

For each currency pair, two different margin rates apply: 1) Initial Margin is the required collateral to open a new position. The Initial Margin requirement is dependent on the currency pair traded, and 2) Maintenance Margin, required to maintain an open position, which is usually equal to 50% of the Initial Margin requirement.

For example, the Initial Margin requirement for EURUSD is 3.33% and the Maintenance Margin requirement is 1.66%. If EURUSD is trading at 1.2000 and you trade an amount of 10,000 EUR, a margin of 333 EUR (10,000 × 3.33%) is required to open a Long/Short position. To hold the position, a maintenance margin of 167 EUR (10,000 × 1.66%) is required.

Maintenance Margin is used to calculate the margin utilization. If your losses exceed 100% margin utilization, then automatic margin close–out will occur, meaning that orders to close positions will be placed and existing orders will be cancelled.

When trading FX Spot, **Retail** clients have negative balance protection on their trading account. Should your account fall into a negative balance, you will not be obliged to make additional payments – meaning losses cannot exceed your deposits.

Rolling FX Spot is an execution only product and therefore does not have a recommended holding period (RHP). FX Spot trades do not settle. Instead, open positions held at the end of a trading day are rolled forward to the next available business day. It is up to you to open and close your position, however your position will only be kept open to the extent that you have available margin.

Intended retail investor

Trading in this product will not be appropriate for everyone and are intended for investors who have knowledge or experience with leveraged products. The product would most commonly be utilised by persons who will understand how the prices are derived, the concepts of margin and leverage and want to generally gain short term exposures to financial instruments/markets; are using (trading with) money which they can afford to lose; have a diversified investment and savings portfolio; have a high-risk tolerance; and understand the impact of and risks associated with margin trading.

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What are the risks and what could I get in return?

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.



Lower risk **Higher risk**

The risk indicator assumes that you may not be able to buy or sell your FX at the price you wanted to due to volatility of the market or you may have to buy or sell your FX at a price that significantly impacts how much you get back.

We have classified this product as 7 out of 7, which is the highest risk class.

Values may fluctuate significantly in times of high volatility or market/economic uncertainty (so can generate losses rapidly); such swings are even more significant if your positions are leveraged and may also adversely affect your position. As a result, margin calls may be made quickly or frequently, and in the event of default, your positions may be closed out.

Be aware of currency risk. You may receive payments in a different currency, so the final return you will get depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above

In some circumstances you may be required to make payments to pay for losses. The total loss you may incur may significantly exceed the amount invested. This product does not include any protection from future market performance, so you could incur significant losses.

Trading risks are magnified by leverage.

Performance scenarios

This table shows the money you could get back over the next 30 days, under different scenarios, assuming a notional amount of EUR 10,000. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. The return of the investment vary depending on how the market performs and how long you hold the contract. The stress scenario shows the return in extreme market circumstances, and it does not take into account the situation where we are not able to pay you. The figures shown include all the costs of the product itself. Please note that financing of unrealized P&L is not taken into account in the trading examples. Also, note that currency conversion fee on realised profit/loss and ticket fees from the instrument currency to the account currency is not taken into account in these examples. The figures do not take into account your personal tax situation or any costs to other third parties you may have a relationship with, which may also affect your return.

Trade assumptions		
Description	**Symbol/Equation**	**Value**
Instrument	I	EURUSD
Opening Price	P	1.20000
Trade Size (EUR)	TS	10,000
Quoted Currency Amount (USD)	QC = P x TS	12,000
Initial Margin (%)	IM	3.33%
Maintenance Margin (%)	MM	1.67%
Initial Margin (EUR)	IMR = P x TS x IM	333
Maintenance Margin (EUR)	MMR = P x TS x MM	167
Spread	S	0.00010
FX Value Date Rollover (Long)	TN	0.000055
FX Value Date Rollover (Short)	TN	-0.000007
Minimum Commission (EUR)	MC	2.50
Holding time (days)	HT	30

Performance scenario (Long)				
Long Positions	**Closing Price**	**Price Change**	**Total Cost (EUR)**	**Total Profit/ Loss (EUR)**
Favourable	1.23384	2.82%	22.50	260
Moderate	1.20024	0.02%	22.50	-21
Unfavourable	1.16784	-2.68%	22.50	-291
Stress	1.09080	-9.10%	22.50	-933

Performance scenario (Short)				
Short Positions	**Closing Price**	**Price Change**	**Total Cost (EUR)**	**Total Profit/ Loss (EUR)**
Favourable	1.16820	-2.65%	3.90	261
Moderate	1.20072	0.06%	3.90	-10
Unfavourable	1.23336	2.78%	3.90	-282
Stress	1.32120	10.10%	3.90	-1,014

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What happens if Saxo is unable to pay out?

If SCML is unable to pay out, you may lose the value of your investment. However, SCML segregates all retail client funds from its own firm money in accordance with the FCA's client asset sourcebook. SCML also participates in the Financial Services Compensation Scheme (FSCS) which covers eligible investments up to GBP85,000 per person per firm. See www.fscs.org.uk.

What are the costs?

Costs over time

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the performance of the product. The total costs take into account one-off, on-going and incidental costs. The amounts shown here are the cumulative costs of the product itself, for an illustrative holding period of 30 days. The figures assume a nominal value of EUR 10.000. The figures are estimates and may change in the future.

Cost over time	Long Position	Short Position
Trade Size (EUR)	10,000.00	10,000.00
Initial Margin (EUR)	333.00	333.00
Holding time (days)	30	30
Total Cost (EUR)	**22.50**	**3.90**
RIY as % of Notional Value	0.23%	0.04%
RIY as % of Initial Margin	6.76%	1.17%

Composition of costs

The table below shows:

// The impact of different types of cost on the performance of the product
// The meaning of the different cost categories.

Breakdown of possible costs associated with an Rolling FX Spot			
One-off costs	Spread	The difference between the bid (sell) price and the offer (buy) price. Spread is dependent on many different factors, including but not limited to, the underlying liquidity and volatility, time of day and notional trade size.	EURUSD default (all inclusive) spread 0.8 pips (minimum).
	Ticket Fee (small notional trade sizes)	The fee charged for the service of carrying out the transaction, subject to a minimum fee on small notional trade sizes.	3.00 USD (only for trades below 50k EUR).
	Profit/Loss Currency Conversion	The fee charged for converting realised profit/loss and ticket fees from the instrument currency to the account currency.	Currency conversion of 0.50%
Ongoing costs	FX Value Date Rollover	**Tom/Next swap points (Forward Price)** The swap points used are calculated using the tom/next swap rates from Tier-1 banks, plus/minus a mark-up.	Tom/Next markup +/-0.45%
		Financing of unrealised profit/loss (Financing Interest) Any unrealised profit/loss that is rolled from one day to the next is subject to an interest credit or debit.	Financing Interest markup rate +/-2.00%
Incidental costs	-	-	-

How long should I hold it and can I take money out early?

Recommended holding period: NO RECOMMENDED HOLDING PERIOD
Rolling FX Spot have no recommended holding period. Provided that Saxo is open for trading you can enter and exit positions at any time.

How can I complain?

If you as a client or a prospective client of Saxo Capital Markets UK Ltd have raised a question or an issue with SCML for instance with your account manager or another employee of SCML without receiving a satisfactory answer you may file a complaint with SCML as per below.

If the person advising or selling to you is not an SCML employee, please contact them directly. Attn: Complaints, Saxo Capital Markets UK Ltd, 26th Floor, 40 Bank Street, London E14 5DA
Or via the platform at https://www.home.saxo/en-gb/legal/complaints/complaints-directions or by email to uklegal@saxobank.com

If you do not feel that your complaint has been resolved to your satisfaction, you are able to refer your complaint to the Financial Ombudsman Service (FOS). See www.financial-ombudsman.org.uk for further information.

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Other relevant information

The General Business Terms section of our website contains important information regarding your account. You should ensure that you are familiar with all the terms and policies that apply to your account.
Please refer to our website for any other information https://www.home.saxo/en-gb

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