TRY THIS SIMULATION AND SEE HOW MUCH PROFIT YOU CAN MAKE

If you want to try your hand at trading futures, you don't even have to leave your home and you don't have to spend a sen.

Bursa Malaysia Marketplace has a great simulation site that allows you to test your investing skills in both equities and futures.
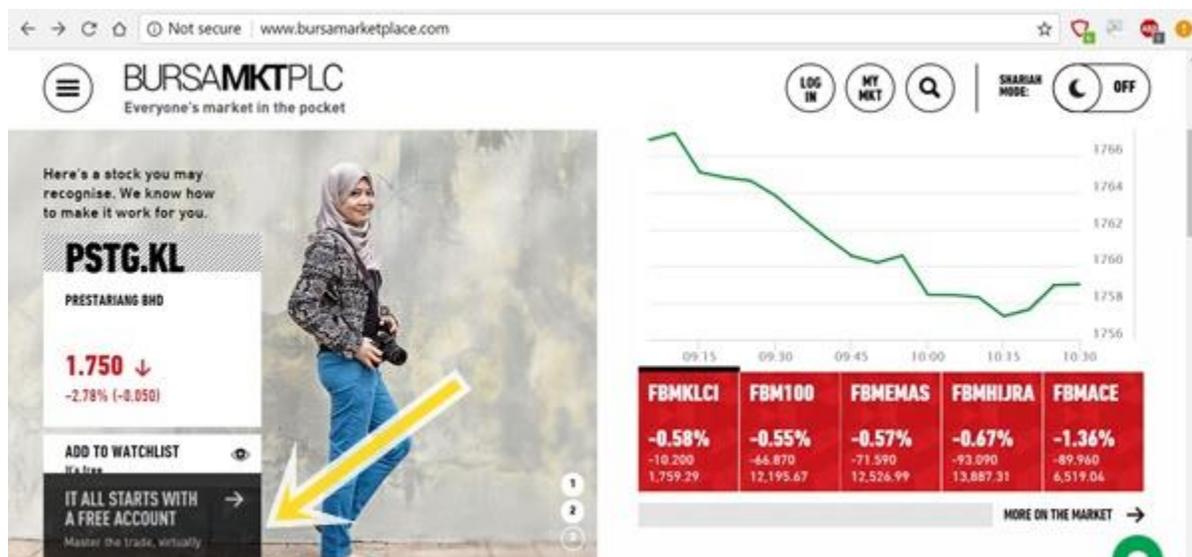
In this guide we show you how to begin your simulated trading in **Crude Palm Oil Futures (FCPO)** which is the most heavily traded futures contract in Southeast Asia.

The prices are **delayed** live prices on the Bursa Malaysia Derivatives Exchange (BMD), so the profit or loss figures from your trade are real prices.
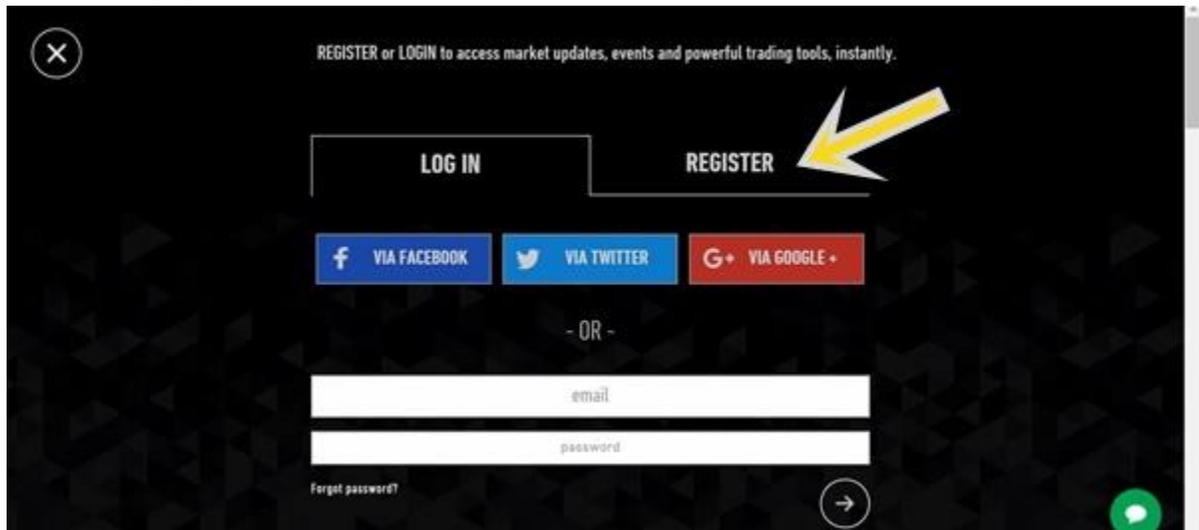
Ready to trade?

Let's start by registering as a subscriber on Bursa Marketplace. It's free anyway.

1. Go to **www.bursamarketplace.com** and click on the black box as shown.

2. On the next page click on "REGISTER".
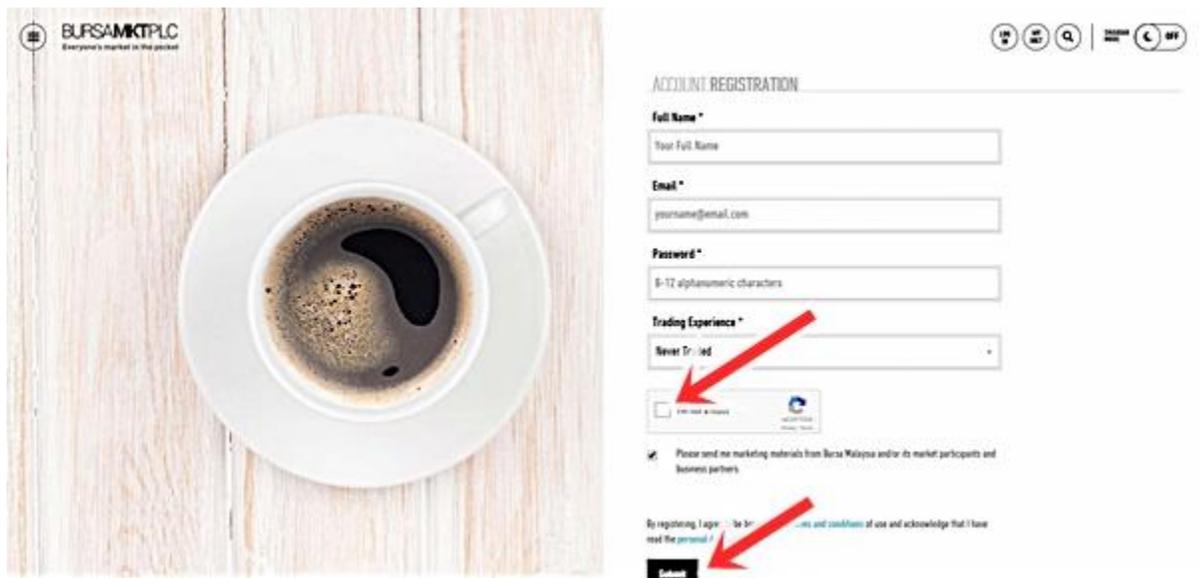

3. Fill up your particulars. Make sure that you have entered your chosen password with the correct spelling and immediately write it down somewhere. This is because there is no second box to re-enter your password for confirmation.

4. Click that you are not a robot and then click "Submit".

5. Your registration is completed. Now go to your email and click on the activation link in that email to see the page below. Then click as shown to sign in to your portfolio page.
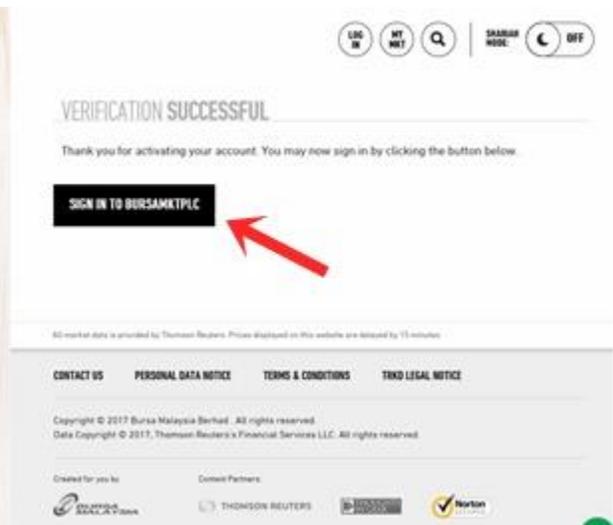
6. You will see the DASHBOARD with no data in it. Click on "MY FUTURES" to begin constructing your futures portfolio.
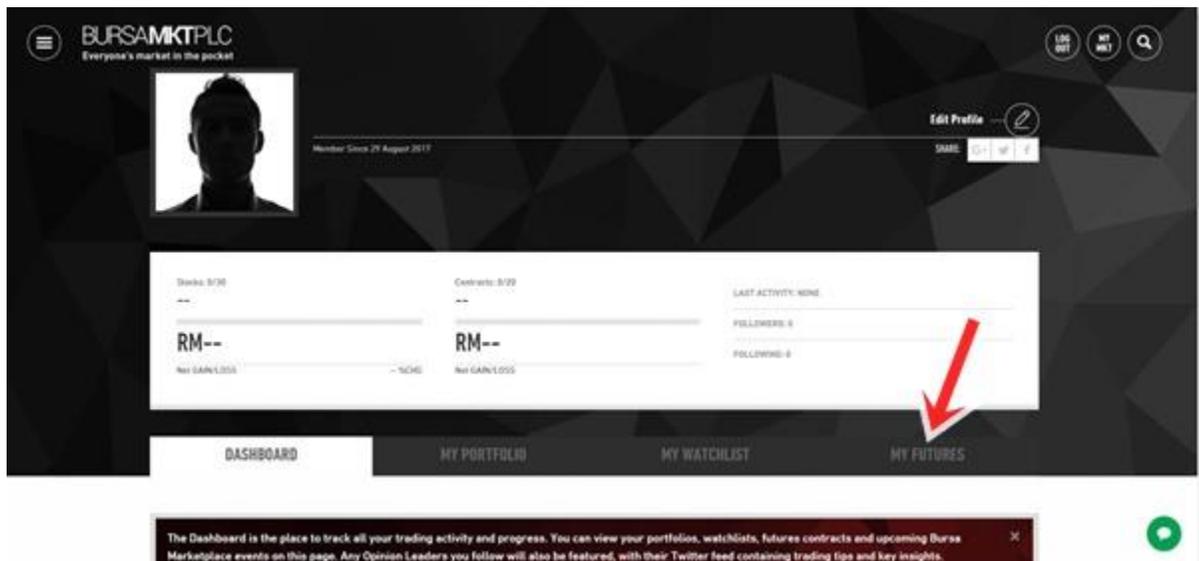
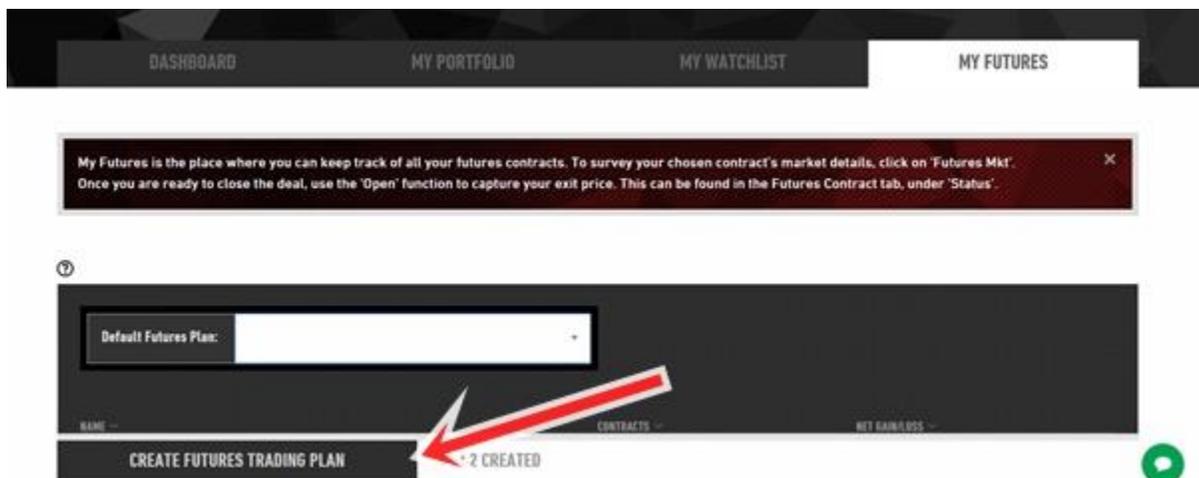7. The futures page will appear and at the top the "Default Futures Plan" box is empty. Click on "CREATE FUTURES TRADING PLAN" to start your first plan. You are allowed to create 2 plans and each plan can comprise up to 20 futures contracts.

8. Enter the name of your first (default) plan e.g. "FCPO" and click "CREATE PLAN"

CREATE **FUTURES TRADING PLAN**

Futures Trading Plan Name (4/25 characters)

FCPO

Set as Default

Yes

Description (0/255 characters)

Your Trading Plan Description

| CREATE PLAN | CANCEL |

9. Your first plan is now created with the name "FCPO" and you can begin to enter into as many as 20 contracts under the plan. Click "ADD FUTURES CONTRACT"

10. The name of your plan is shown at the top and you need to select your first contract. In the example below we have selected from the dropdown list the November 2017 contract.

The most active contract is usually the third month since this gives the investor enough time to hold the contract for profit before he may have to either take delivery or deliver the physical palm oil on the maturity of the contract. The current month is termed the "Spot Month" which starts from the sixteenth day of the current calendar month and ends on the fifteenth day of the following month (the "second month"). So on 25 August 2017, for instance, the spot month is September and the active month is November.

Once you have selected the contract month, the current price will appear. In the "POSITION" box, select "Long" or "Short". Long if you expect the price to rise and short if you expect it to fall.

You may wish to enter your "Stop Price" (the price at which you will cut your loss if the market moves against you" and your "Target Price" (the price at which you think you the market will reverse after you have made your profit) as reminders. If you are long, the Stop Price is lower than your contract price and if you are short it is higher.

Finally click "SAVE+CLOSE".

11. Your position page will appear showing details of your open contract(s)

From left:
- the contract name and expiry date
- long or short and the date you entered into the contract
- the price of the contract
- your stop price
- your target price
- the current price or the price at which you closed the contract
- your gross profit/loss which is zero now since the price has yet to move
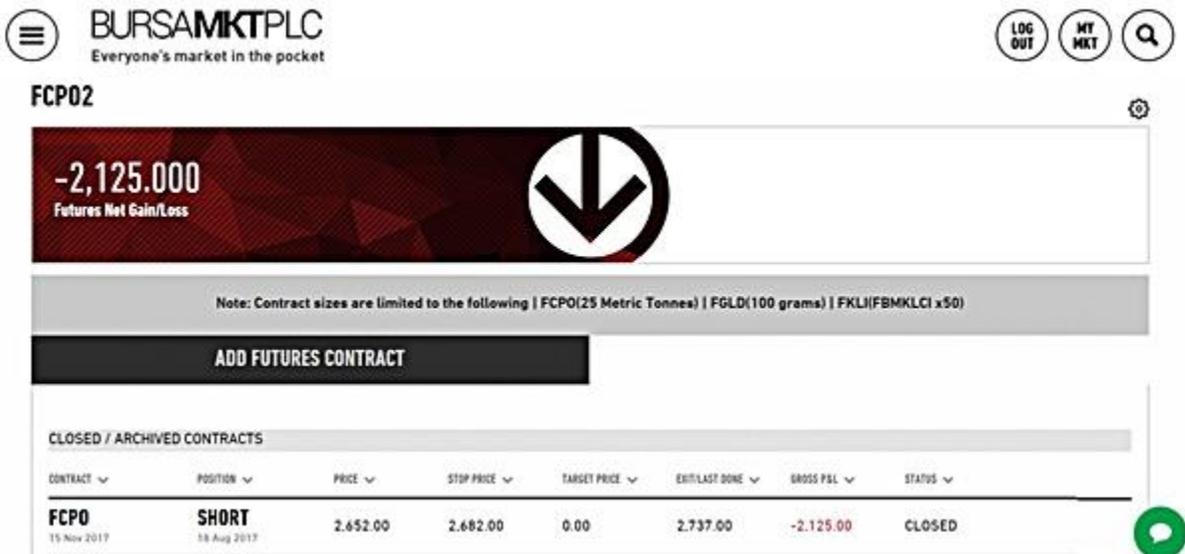- whether you still have the contract open or you have closed it

This will be the page that you will see the next time you select the "MY FUTURES" page to check your profit or loss or to add in a new contract or a new plan.

As an example, the page below shows the status of one FCPO November 2017 **long** contract (entered into on 18 August) just 6 days after entering into the contract.

The profit stood at RM2,125 and the position is still open as the investor still believed that prices will continue to rise.

Below is an example where the **short** position has been closed after 6 days. The market price had risen instead of falling as the investor had predicted. He had failed to exit earlier when the price rose to his stop price of RM2,682 and instead closed the position later at RM2,743 thereby incurring a loss of RM2,125.

Give it a try and good luck.