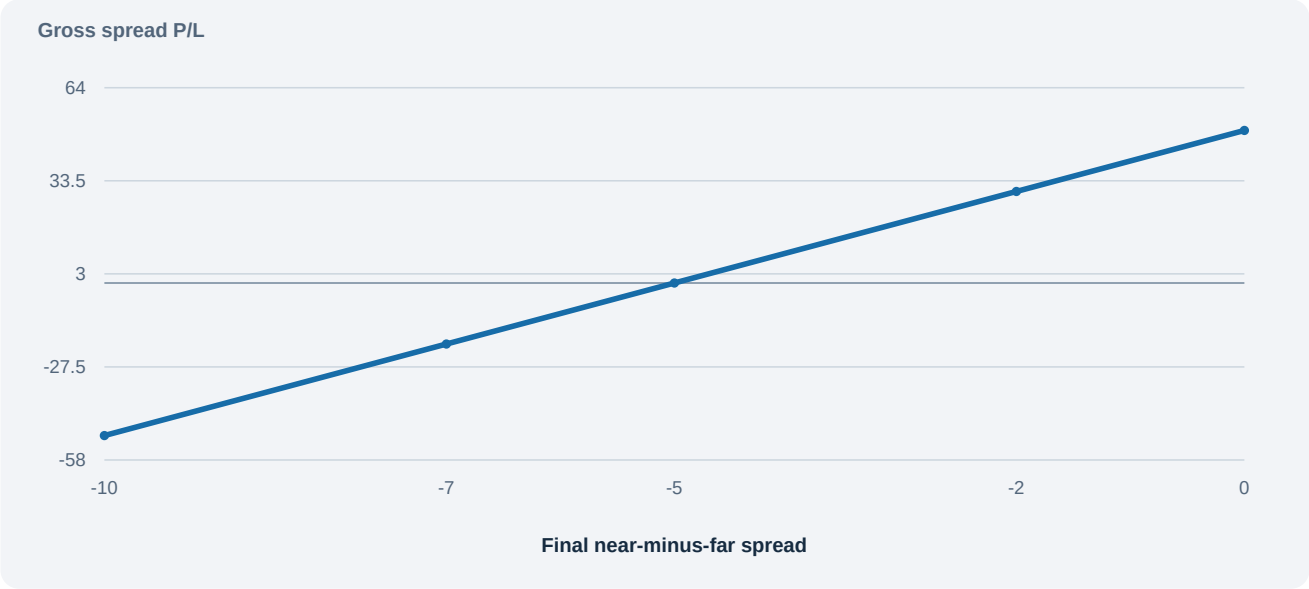
Futures calendar-spread value

Derivatives mechanics | Original synthetic example | Edition 2026-11-26

An equal-multiplier long-near and short-far spread gains when the near-minus-far price difference increases. Each leg still has execution and margin characteristics.

FORMULA Spread P/L = change in (near - far) x multiplier

SCENARIO 01: Long near / short far; initial spread -5; multiplier 10



WORKED EXAMPLE

A spread change from -5 to -2 adds 3 x 10 = 30. Both leg costs are excluded.

COMMON MISTAKE

Treating two legs as risk-free because their gross notionals offset ignores spread and legging risk.

BEFORE YOU USE THE CALCULATION

1. Fix the near-minus-far convention.
2. Check matching multipliers.
3. Include both legs' execution costs.

COMPARE TWO MORE INPUT SETS

Scenario 05: Long near / short far; initial spread -5; multiplier 50. A spread change from -5 to -2 adds 3 x 50 = 150. Both leg costs are excluded.

Scenario 10: Long near / short far; initial spread -5; multiplier 100. A spread change from -5 to -2 adds 3 x 100 = 300. Both leg costs are excluded.

Synthetic values are not historical market data. Educational material; trading can result in substantial losses.