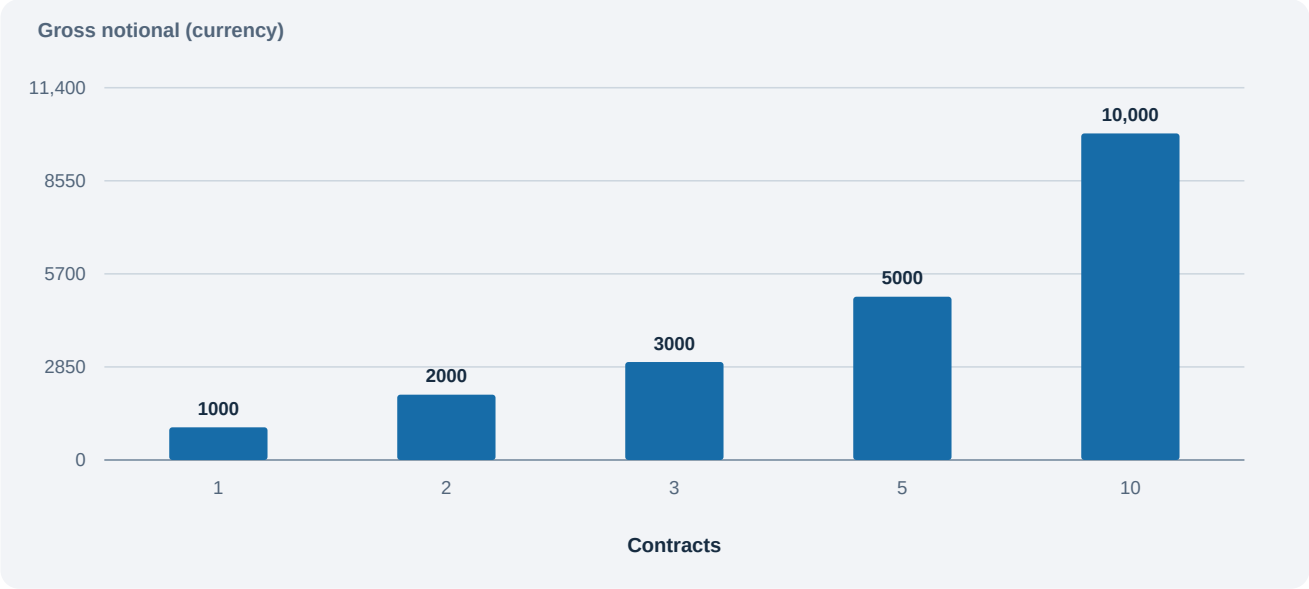
Futures notional exposure

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

Notional exposure represents the quoted price times the contract multiplier and quantity. It differs from the margin collateral required to maintain the position.

FORMULA Notional = quoted price x multiplier x contracts

SCENARIO 01: Quote 100; multiplier 10; synthetic contract



WORKED EXAMPLE

Three contracts give 100 x 10 x 3 = 3000 notional. Margin is a separate amount.

COMMON MISTAKE

Reporting the margin deposit as the full economic exposure obscures the effect of price changes.

BEFORE YOU USE THE CALCULATION

1. Check the quotation convention.
2. Use gross contracts for gross exposure.
3. Keep margin and notional separate.

COMPARE TWO MORE INPUT SETS

Scenario 05: Quote 300; multiplier 30; synthetic contract. Three contracts give 300 x 30 x 3 = 27,000 notional. Margin is a separate amount.

Scenario 10: Quote 550; multiplier 55; synthetic contract. Three contracts give 550 x 55 x 3 = 90,750 notional. Margin is a separate amount.

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