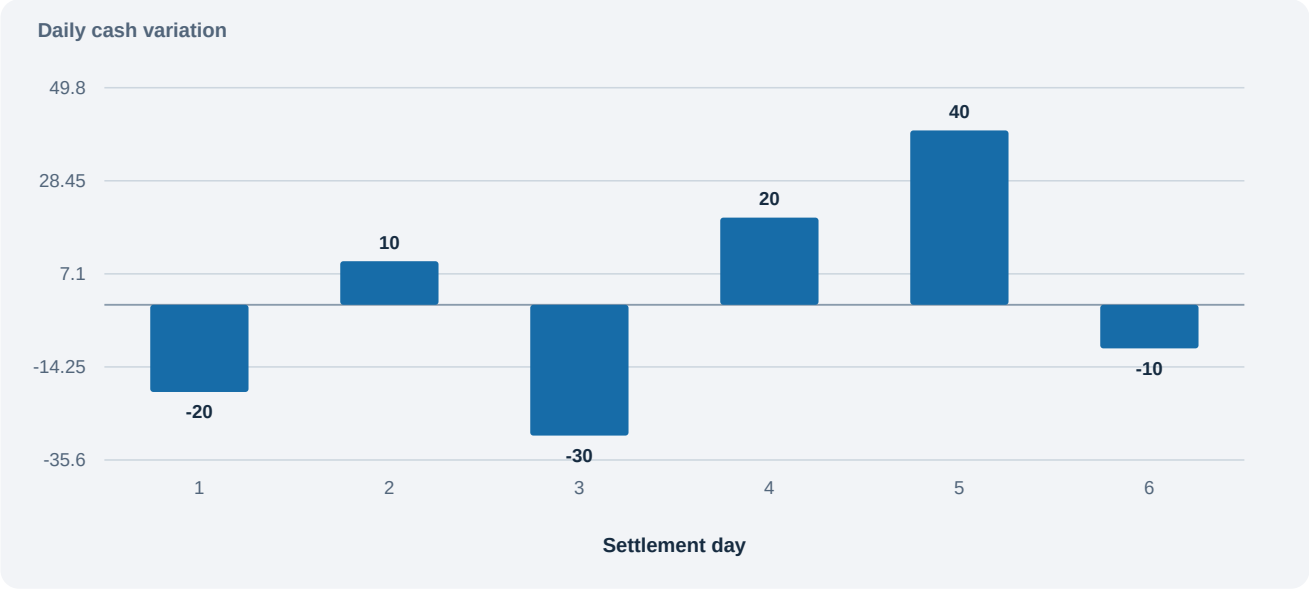
# Daily futures settlement arithmetic

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

Daily settlement changes the cash value of a futures position according to the move from the prior settlement. A sequence of gains and losses can create funding needs before the final outcome.

**FORMULA Daily variation = price change x multiplier x contracts**

## SCENARIO 01: One long contract; multiplier 10




### WORKED EXAMPLE

Day 3 moves -3 points and creates -30 cash variation. Total over six days is 10.

### COMMON MISTAKE

Looking only at the total end-to-end result hides an interim cash requirement.

### BEFORE YOU USE THE CALCULATION

1. Use settlement-to-settlement changes.
2. Track cumulative cash variation.
3. Plan for adverse intermediate days.

### COMPARE TWO MORE INPUT SETS

Scenario 05: One long contract; multiplier 30. Day 3 moves -3 points and creates -90 cash variation. Total over six days is 30.

Scenario 10: One long contract; multiplier 55. Day 3 moves -3 points and creates -165 cash variation. Total over six days is 55.

Background context: CME Group: Futures profit or loss



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