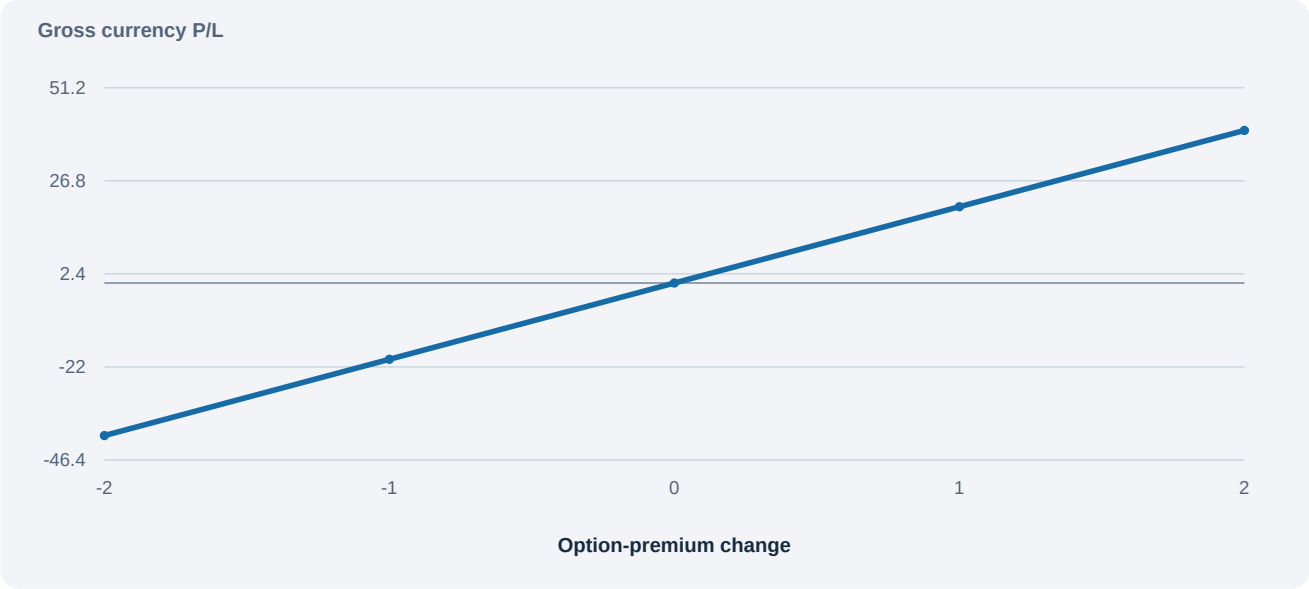
Scaling option P/L by contract size

Option sensitivities | Original synthetic example | Edition 2026-11-26

A per-unit change in option premium must be multiplied by the contract multiplier and signed contract quantity to obtain gross currency P/L. Contract specifications determine the multiplier.

FORMULA Gross P/L = premium change x multiplier x signed contracts

SCENARIO 01: Long 2 contracts; synthetic multiplier 10



WORKED EXAMPLE

A premium increase of 1 produces 20 gross P/L on two contracts. Use the actual contract specification.

COMMON MISTAKE

Using the premium quote as the currency P/L for a full contract omits the contract size.

BEFORE YOU USE THE CALCULATION

1. Read the actual multiplier.
2. Keep a signed position quantity.
3. Deduct trading costs after gross arithmetic.

COMPARE TWO MORE INPUT SETS

Scenario 05: Long 2 contracts; synthetic multiplier 50. A premium increase of 1 produces 100 gross P/L on two contracts. Use the actual contract specification.

Scenario 10: Long 2 contracts; synthetic multiplier 250. A premium increase of 1 produces 500 gross P/L on two contracts. Use the actual contract specification.

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