

# CFD Trading

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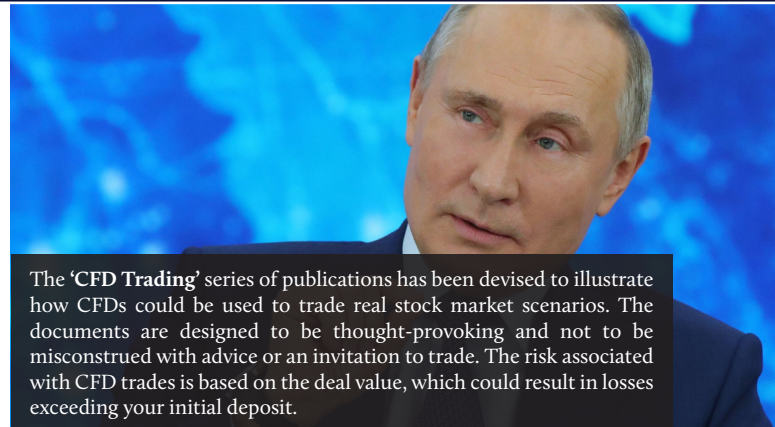


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Examples of how traders can utilise CFDs

## IF RUSSIA INVADES... COULD YOU MAKE £10K SHORTING THE FTSE 100?

- COULD ESCALATING TENSIONS BETWEEN RUSSIA AND UKRAINE RESULT IN CONFLICT?
- GLOBAL MARKETS WILL ALMOST CERTAINLY TRADE LOWER IF RUSSIA INVADES UKRAINE



### INTRODUCTION

Conflicting reports are emanating from Russia, from 'war is imminent' to hopes of a 'diplomatic solution'. Truth is, nobody knows how the Russia-Ukraine situation will play out.

That said, the market reaction is more predictable - if Putin backs down, equity markets should rally. If Russia invades Ukraine, stock markets will likely fall.

Traders and investors are usually 'long' the market, so we have chosen to look at the latter scenario in this report and one option available to retail investors, should Russia invade Ukraine.

### TRADING EXAMPLE

Using CFDs, retail investors can trade the value of an index.

Traders can 'go long' (buy) or 'short' (bet on a decline). Here is how you could potentially make £10k from the FTSE 100 falling.

The FTSE 100 is trading at 7,500pts. You undertake a 'short' position, fearing Russia will invade Ukraine. You choose to wage £20 per point (make or lose £20 every point the index moves).

**Should the FTSE 100 decline to 7,000pts, profit is calculated at £20 times by a 500pt move in your favour = £10,000 profit.**



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