

CFD Trading

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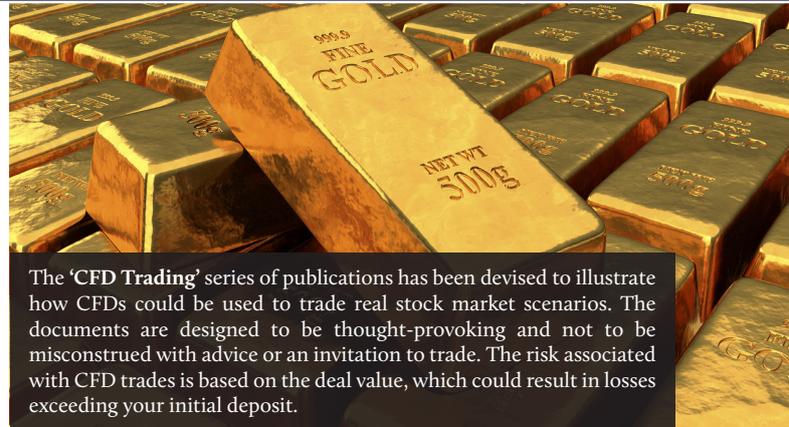


Thursday 24th February 2022

Examples of how traders can utilise CFDs

COULD YOU MAKE £50K FROM £10K TRADING SHARES IN FRESNILLO?

- THE PRICE OF PRECIOUS METALS OFTEN RALLY IN TIMES OF UNCERTAINTY
- COULD THE PRICE OF SHARES IN GOLD AND SILVER MINER, FRESNILLO PLC, RALLY?



The 'CFD Trading' series of publications has been devised to illustrate how CFDs could be used to trade real stock market scenarios. The documents are designed to be thought-provoking and not to be misconstrued with advice or an invitation to trade. The risk associated with CFD trades is based on the deal value, which could result in losses exceeding your initial deposit.

INTRODUCTION

Putin has ordered Russian military strikes against Ukraine in what appears to be the start of a full invasion.

Fresnillo shares have opened 4% higher this morning, at 717p.

Fresnillo is a FTSE 100-listed gold and silver mining company and has a history of posting outsized share price gains in times of uncertainty, benefitting from surges in gold prices.

See the chart below, Fresnillo shares posted huge gains of 100% and 200% during the uncertain times of Brexit and Covid.

TRADING EXAMPLE

If you believe shares in Fresnillo will continue to trade higher amid the Russia-Ukraine conflict, here is how you could potentially make £50k from £10k using CFDs.

When buying a position using CFDs, retail investors' initial outlay is 20% of the deal value, meaning you could buy £50k of Fresnillo for £10k. If the shares appreciate to 1400p, the gain of 100% is on the deal value (£50k) resulting in a profit of £50k.

Risk - it is important to understand, in this example, potential losses are based on the deal value of £50k.



RISK WARNING

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CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. **64.6% of retail investor accounts lose money when trading CFDs with this provider.** You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money. Frederick & Oliver (F&O) is an Appointed Representative of C B Financial Services Limited (trading as One Financial Markets). Your account is held with C B Financial Services Limited and all dealing, administration and settlement is carried out by them. C B Financial Services Ltd is registered in England with company number 6050593.