



Your First CFF Trade

A Step-by-Step Onboarding Guide

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Five Steps to Your First Trade

From account opening to position management — a clear roadmap

Step 1: Get Access

- Select a clearing member and open a derivatives trading account

Step 2: Understand Margin

- Learn how initial and variation margin work — it is a deposit, not a cost

Step 3: Choose Your Route

- Match your physical exposure to the right CFF contract (FENE, FEUW, NEFE, NEUE)

Step 4: Place Your First Trade

- Execute via screen trading on Optiq or through an EFS block trade with a broker

Step 5: Manage Your Position

- Monitor daily settlement, roll or close positions, and manage expiry



Step 1: Get Access

Opening your CFF trading account through a clearing member

Choose a Clearing Member

- CFF trades are cleared through Euronext Clearing — you need an account with a General Clearing Member (GCM)
- Commodity brokers such as Marex, StoneX, and BANDS provide access and execution services
- Your broker handles order routing, margin management, and settlement on your behalf

Account Opening Process

- Complete KYC/AML documentation with your chosen broker (typically 1-2 weeks)
- Sign a futures trading agreement and client onboarding forms
- Fund your margin account — initial deposit required before first trade

Physical participants (shippers, forwarders, NVOCCs) benefit from simplified onboarding under the MiFID II hedging exemption.



Step 2: Understand Margin

Margin is a performance deposit, not a cost — you get it back when you close

Initial Margin

- A deposit held by Euronext Clearing to guarantee your position — typically 10–15% of notional value
- Example: at \$3,000/FEU with 5 FEU per contract, notional = \$15,000 — margin may be ~\$1,500–\$2,250
- Returned in full when you close or the position expires

Variation Margin

- Daily mark-to-market: if the futures price moves in your favour, cash flows to you; if against, you pay
- This daily settlement eliminates counterparty risk — Euronext Clearing stands between buyer and seller

Key Point

- If you are hedging physical exposure, variation margin losses on futures are offset by gains on your physical freight — your net cost stays locked in. Those amounts can be made against a credit line with your bank.



Step 3: Choose Your Route

Match your physical freight exposure to the right CFF contract

FENE — Far East to North Europe

- The flagship route — highest volume, deepest liquidity. For European importers sourcing from Asia

FEUW — Far East to US West Coast

- Transpacific headhaul. For US importers and forwarders with Asia-Pacific exposure

NEFE — North Europe to Far East

- Backhaul route — for European exporters shipping to Asia

NEUE — North Europe to US East Coast

- Transatlantic route — for European exporters and US importers on the Atlantic corridor

Each contract covers 5 FEU. Monthly expiries listed for 18 consecutive months. All cash-settled in USD against the XSI®-C index.



Step 4: Place Your First Trade

Two execution methods — choose the one that fits your needs

Option A: Screen Trading (Optiq Platform)

- Place orders directly on Euronext's central order book via your broker's trading screen
- Full price transparency — see live bids and offers across all contract months
- Best for: participants comfortable with electronic trading, smaller clip sizes

Option B: EFS Block Trade (Exchange for Swaps)

- Negotiate price and volume bilaterally with a broker, then register the trade on-exchange
- Still centrally cleared by Euronext Clearing — same counterparty protection as screen trades
- Best for: larger hedges, physical participants new to screen trading, multi-month strips

Most first-time physical hedgers start with an EFS block trade through their broker.



Step 5: Manage Your Position

Daily settlement, rolling, and expiry — what happens after your trade

Daily Settlement

- Each business day, Euronext publishes a Daily Settlement Price (DSP) for every contract month
- Your profit or loss is settled daily via variation margin — no surprises at expiry

Rolling a Position

- If you want to extend your hedge, close the near-month contract and open the next month
- Your broker can execute this as a calendar spread — a single transaction that rolls forward

Expiry & Final Settlement

- At expiry, your position is cash-settled against the XSI®-C index value — no physical delivery
- Euronext Clearing handles final settlement — the difference between your traded price and the index is paid or received

Your broker provides daily position reports showing P&L, margin requirements, and open positions.



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