114a Cromwell Road, Fourth Floor, London, SW7 4AG, United Kingdom
www.onyxmarkets.co.uk

Costs and Charges

Introduction

This document outlines the costs and charges associated with trading Contracts for Difference (CFDs) and Spread Bets through Onyx Markets (unless otherwise contained in the Terms of Business).

Understanding these costs is essential for making informed trading decisions. Where practical, we have provided illustrations of how we calculate our charges. To understand which costs and charges are applied to each product, please refer to the Onyx Markets Product Matrix.

Onyx Markets is a trading name of Onyx Capital Advisory Limited in relation to its CFD and Spread Betting business.

Spread

Definition: The spread is the difference between the buy (offer) price and the sell (bid) price. This cost is incurred whenever you open and close a position (i.e. half of the full spread is payable on open and half on close). When you open a position the full spread will be reflected in your running profit and loss "PNL" as positions will be marked against the price at which they can be theoretically closed out. The price that your PNL is marked to may only be indicative where products are only available for manual trading.

Importance of the Spread:

- **Cost of Trading:** The spread represents a direct cost to the trader. To make a profit, the price of the contract must move enough to cover the spread. For example, if you buy EUR/USD at 1.1200, the price must rise above 1.1200 for you to profit after selling it.
- **Liquidity Indicator:** Tight (small) spreads typically indicate high liquidity and efficient markets, while wide spreads can indicate low liquidity or high market volatility.

Types of Spreads:

- **Fixed spread:** The difference between the bid and offer prices remains constant regardless of market conditions. This can be advantageous in volatile markets, but fixed spreads can be higher than variable spreads during normal market conditions.
- **Variable (Floating) Spread:** The difference between the bid and offer prices changes with market conditions. During periods of high liquidity, spreads can be very tight (small), while during periods of low liquidity or high volatility, spreads can widen significantly.

Spreads in Different Markets:

- **Forex:** Spreads in the forex market can be very tight due to high liquidity, especially in major currency pairs.
- **Commodities:** Spreads can be influenced by factors such as supply and demand, geopolitical events, contract duration and market speculation.

Understanding spreads is crucial for effective trading, as they impact your overall trading costs and potential profitability.

Example Spreads:

Scenario: CFD

Asset	**Brent Oil Spot**
Current Market Price:	**Bid Price**: $73.00 per barrel
	Offer Price: $73.05 per barrel
Spread:	The spread is the difference between the bid and offer prices, which in this case is $0.05.
Trade:	Buying 1 lot of Brent Oil at the offer price of $73.05
	The price to close immediately would be the bid price of $73.00
Spread Cost:	1 lot (100 barrels) x $0.05 = $5 spread cost incurred when you enter the trade.

Scenario: Spread Bets

Asset	**Brent Oil Spot**
Current Market Price:	**Bid Price:** 73.00 (£ /0.01)
	Offer Price: 73.05 (£ /0.01)
Spread:	The spread is the difference between the bid and offer prices, which in this case is 5 points.
Trade:	Going long £1 Per Point of Brent Oil at the offer price of 73.05
	The price to close immediately would be the bid price of 73.00
Spread Cost:	(5 * £1) = £5 spread cost incurred when you enter the trade.

Guaranteed Maximum Spread:

For certain products which are only available for manual trading, we offer guaranteed maximum spreads. This ensures that the price you see on screen is within a specific range of the price that we offer you to trade at when you contact us. The maximum spread is available to trade to a maximum of 1 lot, per contract, per minute, and applies both to opening and closing positions.

Please be aware that the price may move, and so the maximum spread is only relevant to the live price displayed by Onyx Markets at the moment that a tradable price is offered by the broker.

Overnight Funding Adjustments

The overnight funding adjustment refers to the interest or fees that are applied to open positions held overnight (past market close). Onyx Markets will charge a flat fee based on the product as described below:

- Perpetual Commodities Contracts 3% per annum
- Forex 1% per annum

These rates apply to both CFD and Spread Betting contracts.

Market adjustments are then added (credit) or taken out (debit) depending on the product asset class as described below:

- **Forex**: Relevant "Tom-Next Rate." The adjustment accounts for the charge for borrowing or lending each currency overnight, reflecting the difference between the interest rates of the two currencies involved in the trade.
- **Commodities Perpetual Contracts**: A commodity price blended from the first and second futures contracts of the curve to create a perpetual contract where no spot market exists. The funding adjustment is calculated based off the price difference between first and second futures contracts of the curve and the difference, stated in days, between their expiry dates. A more detailed example is given in a later section.

Factors Affecting Overnight Charges:

- **Interbank Rates:** The primary rate used is often the LIBOR (London Interbank Offered Rate), but with LIBOR being phased out, other rates like SOFR (Secured Overnight Financing Rate) are becoming more common.
- **Asset Type**: Different assets may have different financing costs. For example, forex might have different rates compared to commodities or indices.

Worked example for CFD and Spread Bet Forex

The below example relates to a short position of 1 lot for CFDs and £10 per point for Spread Bet on EUR/USD, with a spread of 0.6, and the position held for one night.

Parameter	**Value (CFD)**	**Value (Spread Bet)**
Currency Pair	EUR/USD	EUR/USD
Trade Size	1 lot (100,000 EUR, $10 per pip)	£10 per 0.0001 (notional value £112,000) 10*1.12(EUR/USD)*10,000 (price scaling)
Spread Bet/CFD Price (EUR/USD)	1.1200	1.1200
Spread Charge	$6 (0.6*$10)	£6 (0.6*£10)
Underlying Tom-Next Rate (Short)	-0.67 points (indicative)	-0.67 points (indicative)
Daily Admin Fee (0.00278%) (Annual Admin Fee/365)	+ 0.00278% *CFD Price*Trade Size (0.0000278*1.12*100,000) = $3.11 Fee	+ 0.00278% *Spread Bet Price*Trade Size (0.0000278*1.12*10*10,000) = £3.11 Fee
Example of Daily Tom-Next (adjustment)*	$10*0.49 (points) = $4.90	£10*0.49 (points) = £4.90
Total Daily Funding Cost (Tom-Next plus Admin)	-$3.11 + $4.90 = $1.79 (credit to client) Converted to £1.42 ($1.79 /(FX Rate (1.25)*currency conversion fee (1.008)) If the above was a negative, this would result in a debit to the client. As per the indices example longs and shorts would pay and receive different amounts.	-£3.11 + £4.90 = £1.79 (credit to client) If the above was a negative, this would result in a debit to the client. As per the indices example longs and shorts would pay and receive different amounts.

In both the **Spread Bet and CFD** examples, this **0.00278% admin fee** is added to the Tom-Next rate. The final **Tom-Next with Admin Fee** gives you the total credit or charge for holding the position overnight.

*The **Tom-Next (Tomorrow-Next)** reflects the cost (or profit) of rolling a forex position from one trading day to the next. Since forex trading involves simultaneous buying of one currency and selling of another, the interest rate differential between the two currencies determines whether holding the position overnight will result in a **credit** or a **charge**. In this example, the Tom-Next rate used is 0.49.

In essence, **the Tom-Next rate** represents the cost or gain from the interest rate differential between the currencies you are trading, and it plays a key role in determining your **overnight funding costs** when holding positions in the forex market.

Worked example for CFD Perpetual Commodity:

The below example relates to a long position of 1 lot for CFDs and the position held for one night.

Asset	**Oil - WTI Crude Perpetual**
Price Consideration	Front Month Future (F0) that is the nearest/most liquid future price.
	Next Future (F1) that is the next month's future price.
	The difference between these prices is divided by the difference between the two expiry dates expressed as number of days. This is then calculated as a % of the mid-price of the Perpetual Contract on the relevant date and our % fee is added.

Example:
(F0) October future price $70.00

(F1) November future price $71.00

F0 Expiry Date = 19/09/25

F1 Expiry Date = 18/10/25

Difference Between Expiry Dates = 30 Days

Perpetual Contract Mid Price = $70.50

Trade Size = 1 lot (100 barrels ($1 per 0.01))

Overnight fee => $1/30days= $0.03333 daily adjustment + Onyx Markets fee (0.008219% daily applied to the Mid Price of the Perpetual Contract)

Overnight Charge = 1 lot (100 Barrels) *($0.03333 + (0.008219% *$70.50))

Overnight Charge = 100 * ($0.0391)

Overnight Charge = $3.91

GBP/USD FX Rate = 1.25

Fee Conversion = FX Rate (1.25)/currency conversion fee(1.008)

Overnight Charge = $3.91/Fee Conversion Converted to £ = £3.15

Worked example for Spread Bet Perpetual Commodity

The below example relates to a long position of £1 per 0.01 and the position held for one night.

Asset	**WTI Crude Perpetual**
Price Consideration	Front Month Future (F0) that is the nearest/most liquid future price.
	Next Future (F1) that is the next month's future price.
	The difference between these prices is divided by the difference between the two expiry dates expressed as number of days. This is then calculated as a % of the mid-price of the Perpetual Contract on the relevant date and our % fee is added.
Example: (F0) October future price $70.00 (F1) November future price $71.00 F0 Expiry Date = 19/09/25 F1 Expiry Date = 18/10/25 Difference Between Expiry Dates = 30 Days Perpetual Contract Mid Price = $70.50 Trade Size = £100/1 Overnight fee => 1 /30days= 0.03333 daily adjustment + Onyx Markets fee (0.008219% daily applied to the Mid Price of the Perpetual Contract) Overnight Charge = £1 *(0.03333 + (0.008219% *70.50)) Overnight Charge = £1 * (0.0391*100) Overnight Charge = £3.91	

Currency Conversion Fees

As part of our service, we provide access to trading instruments and products that may be denominated in a currency different from your account currency. Please be aware that when executing trades denominated in a currency different from your account's base currency, a currency conversion fee of 0.8% will be applied.

By agreeing to Onyx Market's Terms of Business, you acknowledge the risks of trading CFDs and Spread Bets. You confirm that you're prepared—both financially and otherwise—to take on these risks, and that losing your entire account balance would not negatively impact your lifestyle.