



114a Cromwell Road, Fourth Floor, London, SW7 4AG, United Kingdom  
[www.onyxmarkets.co.uk](http://www.onyxmarkets.co.uk)

## Key Information Document – Spread Bet on Commodities

### Purpose

This document gives you important information about this investment product. The law requires these details to be provided to help you understand what this product is about, its risks, costs, as well as the possible gains, and losses. This way, you can compare it with other products.

### Product

Spread Bets are offered by Onyx Markets, a company registered in England and Wales, under company number 11472304. Onyx Markets is regulated by the Financial Conduct Authority (FRN 822509). See <https://www.onyxcapitalgroup.com/onyx-capital-advisory/> or call +44 203 981 2790 for more information. This document was created/last updated 23/10/2024

#### CAUTION

**\*\*You are about to purchase a product that is not simple and may be difficult to understand\*\***

### What is this product?

**Type:** A spread bet is like a financial bet you make with Onyx Markets, where you speculate on the price movement of the underlying market such as currency, indices and commodities (such as crude oil, or a foreign currency) without owning the actual asset. You "bet" on whether the price of the commodity will rise or fall. The bet's price is tied to the commodity's price, which could be what it's worth now or what it's expected to be worth in the future. For example, if you bet on oil prices going up and they do, your bet's value goes up too. At the end of the contract, Onyx Markets pays you the difference between what you bet and what the contract is worth. But if you bet on prices going up and they fall, you owe Onyx Markets the difference. Spread bets use leverage, meaning they can amplify both your wins and losses.

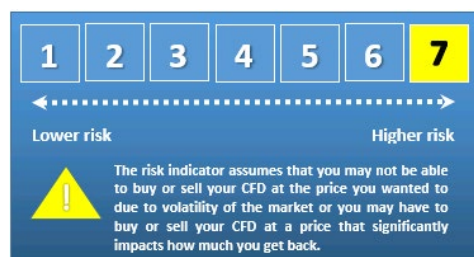
**Objectives:** The purpose of a spread bet is to enable investors to speculate on the direction of an underlying market's price movement—either upward or downward—without the need to physically buy or sell the underlying. Spread bets utilize leverage, meaning that only a small initial deposit is required to open a position. For example, if you place a spread bet at £1 per point with an initial margin requirement of 10% and the commodity's price is 5,000, your initial investment would be £500 (10% of 5,000 multiplied by £1). However, the total exposure of the bet is £5,000 (£1 multiplied by 5,000), reflecting a leverage ratio of 10:1 (1 divided by 10%). As a result, for every one-point change in the commodity's price, the value of the spread bet will fluctuate by £1.

If you take a long position and the market price increases, you will earn £1 for every point gained. Conversely, if the price decreases, you will incur a loss of £1 for each point it falls. Alternatively, if you take a short position, you will profit from a decrease in the market price and incur a loss if the price rises. Should the market move against your position, you may be required to deposit additional funds. Failure to meet this requirement could result in the automatic closure of your bet, in accordance with the terms established by Onyx Markets, the provider with whom you are trading.

Spread bets on spot contracts have a specified end date. Spread bets on "swap" contracts may settle periodically throughout the pricing period, closing out a proportion of your position each time, and the trading platform will show you only the "Balmo" (balance-of-the-month) position that remains. Spread bets on futures contracts have a specified end date. Any position can be closed earlier. During the final days of a settlement period, you may not be able to open (increase) positions, but you will be able to close positions. Perpetual spread bets have no specified end date. Always refer to our website for the specifications of any product. There is no fixed holding period for spread bets; the duration is determined by your trading strategy and objectives.

**Intended retail investor:** Spread bets are intended for investors with a solid understanding of leveraged products. Such investors are likely familiar with the mechanics of spread bet pricing, as well as the concepts of margin and leverage. They are aware of the risks and potential rewards associated with spread betting, particularly in comparison to traditional share dealing, and seek short-term, high-risk exposure to underlying assets. These investors should also possess sufficient financial resources, a diversified portfolio of other investments, and the capacity to withstand potential losses.

### What are the risks and what could I get in return?



The risk indicator gives you an idea of how risky this product is compared to others. It tells you the chances of losing money because of market movements or if we can't pay you. **We've put this product in the highest risk class, 7 out of 7.** This means the potential losses from future performance are rated very high.

Spread bets are products with leverage that can lead to rapid losses due to market movements. Guaranteed stops let investors set a maximum loss for each trade, which is a good way to protect yourself. Without this safeguard, losses could be more than what you put in. There's no protection against market, credit, or liquidity risks, and it's possible to lose your entire account balance. **Keep in mind currency risks.** You might trade spread bets in a different currency from your account's base currency, affecting your final returns based on exchange rates. This risk isn't factored into the indicator displayed. Market conditions could force your spread bet to close at a less favourable price, significantly impacting your returns. We might close your open spread bet if you don't maintain the required minimum margin or violate market regulations. This process might be automatic. This product doesn't shield against future market performance, so you could lose some or all of your investment. If we can't pay you what's owed, you might lose everything, though you might be covered by a consumer protection scheme (see 'what happens if we are unable to pay you'). This protection isn't considered in the displayed indicator.

### Investment performance information

#### What factors will impact your future returns?

- Market Risk:** The value of the underlying market can fluctuate due to price movements, interest rates, and foreign exchange rates.
- Leverage:** CFDs are leveraged, allowing greater market exposure than the initial deposit, which amplifies both profits and losses.

**Positive Influences on Returns:** Favourable changes in market risk factors can increase your trade's value.

**Negative Influences on Returns:** Unfavourable changes and trading costs, including third-party fees, can decrease your trade's value.

**Severe Market Conditions:** In adverse conditions, you risk losing more than your initial deposit when closing the trade.

#### What happens if Onyx Markets is unable to pay out?

If Onyx Markets can't fulfil its financial commitments to you, there's a risk of losing your investment's value. However, Onyx Markets keeps all retail client funds separate from its own in line with the UK FCA's rules. Onyx Markets also takes part in the UK's Financial Services Compensation Scheme (FSCS), which can cover eligible investments up to £85,000 per person, per firm. See [www.fscs.org.uk](http://www.fscs.org.uk).



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**What are the costs?**

Trading a spread bet on an underlying markets incurs the following costs:

|                                    |                            |   |
|------------------------------------|----------------------------|---|
| <b>One-off entry or exit costs</b> | <b>Spread</b>              | The gap between the purchase price and the selling price is known as the spread. This expense is added each time you open and close a trade.  |
|                                    | <b>Currency conversion</b> | If you have any cash, profits or losses, adjustments, fees, or charges in a currency different from your account's main currency, they'll be converted to your account's main currency. A currency conversion fee will then be applied to your account. |
| <b>Incidental costs</b>            | <b>Distributor fee</b>     | Now and then, we might let you know that we're sharing a part of our spread, commissions, and other account charges with other individuals, like a distributor who might have referred you to us.   |
| <b>Ongoing Costs</b>               | <b>Daily holding cost</b>  | You'll be charged a fee for each night your position stays open in your account. So, the longer you keep a position, the higher the potential cost.   |

**How long should I hold it and can I take money out early?**

Spread bets are designed for short-term trading, sometimes even intraday, and typically aren't suitable for long-term investments. There's no suggested holding time, no grace period for cancellation, and consequently, no cancellation charges. You're free to initiate or terminate a spread bet on an underlying market at any point during market hours.

**How can I complain?**

If you have a complaint about Onyx Markets, you can reach out to our Legal and Compliance department at [compliance@onyxcapitaladvisory.com](mailto:compliance@onyxcapitaladvisory.com). If you're still not happy with the outcome, you can take your complaint to the Financial Ombudsman Service (FOS). For more details, visit [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).

**Other relevant information**

If there's a delay between when you place an order and when it's executed, you might not get the price you wanted. Make sure your internet is stable and strong before you trade. Check out the "Legal and Regulatory" part of our website for important information about your account. It's essential to know all the rules that affect your account. You can find extra information by right-clicking on a market within the MT5 platform and selecting 'Specification' for detailed information.