



## Key Information Document - CFD Commodities

### **Objective:**

This document provides you with key information about this investment product. This document should not be understood as marketing material or investment advice. The provision of this information is required by law in order to assist you in understanding the nature of the risks, costs, potential profits and losses and to assist you in comparing this financial product with other products.

### **Product:**

**Product name:** Contracts for Difference ("CFDs") – Commodities

**Distributor:** Brokerage Company CAPITAL MARKETS, o.c.p., a.s. (hereinafter referred to as the „Brokerage Company“), with its registered office at Slávičie údolie 106, Bratislava – Staré mesto, 811 02 Bratislava, registered in the Business Register of the City Court Bratislava III, Section Sa, Insert No.: 4295/B, ID No.: 36 853 054, TIN: 2022505419.

**Website:** [www.investingfox.com](http://www.investingfox.com)

**Date of last revision of this document:** October 2023

**Warning:** You are about to purchase a product that is not simple and can be difficult to understand.

### **What is the product?**

#### **Type**

CFD Commodities are leveraged contracts that allow you to gain indirect exposure to an underlying asset. This means that you will not own the underlying asset, but you will make profits or incur losses based on the price fluctuation of the underlying asset. You can buy (Long) CFD Commodities, to benefit from rising prices in the underlying market, or sell (Short) CFD Commodities, to benefit from decreasing prices. The price of a CFD Commodities is derived from the market price of the underlying asset. The price of a commodity is derived from the market price of the underlying asset, which can be either the current ("cash") price or the future ("forward") price.

#### **Example**

If an investor has opened a Long position and the price of the underlying asset increases, the value of the CFD on Commodities will increase – at the closing of the position, the Brokerage Company will pay the difference between the closing value of the contract and the opening value of the contract. On the contrary, if the investor opens a Short position and the price of the underlying asset increases, the value of the Commodities CFD will increase - at the close of the position the investor will pay the Brokerage Company the difference between the closing value of the contract and the opening value of the contract. The leverage effect on Commodity CFDs results in both profits and losses being magnified.

#### **Aims**

The aim of CFD on Commodities is to allow the investor to leverage against fluctuations in the value of the underlying asset without the need to purchase the real Commodity. The exposure is leveraged as CFD on Commodities require only a small percentage of the contract value to be deposited upfront as initial margin.

Commodity	Type	Leverage effect	Lot position volume	Initial margin	Opening price	Closing price	Change in %	Spread	Swap	Net profit	Currency
XAUUSD#	BUY	1:20	1	8904.7	1780.94	1782.85	0.11%	160	53.5	137.50	USD
XAUUSD#	SELL	1:20	0.1	890.47	1780.94	1842.85	3.48%	16	4.9	-624	USD
.USCoffe_#	BUY	1:10	1	29164	145.82	147.97	1.47%	1600	69	4231	USD
.USCoffe_#	SELL	1:10	0.1	2916.4	145.82	148.32	1.71%	160	6.9	-506.9	USD

\* Example above: The position was held for one (1) night.

The tax laws of the retail investor's home Member State may affect the amount actually paid.

When the free margin drops due to price fluctuation in the opposite direction of the investor's open positions, the investor must either fund the account to maintain the margin level above the stop-out level (automatic systemic closing of the position), which is at 50% of the free margin, or close the open positions to avoid automatic closing of the open positions. Notification of a Margin Call will be made via a durable medium when the margin level falls below 100%. In the case of futures contracts, the investor has the option to either close the position on a pre-set expiration date, which is available on the website and announced via a durable medium, or to allow a rollover to a new contract. Depending on the direction of the Long/Short trade and the closing price of the current contract to the opening price of the new contract, the client's trading account will receive a credit or debit to settle the difference. With CFDs on Commodities there is no delivery of the underlying asset. You should familiarise yourself with all costs and charges associated with trading before trading.



[www.investingfox.com](http://www.investingfox.com)

InvestingFox is a trade name of the company CAPITAL MARKETS, o.c.p., a.s. with its registered office at Slávičie údolie 106, Bratislava – Staré Mesto city district, 811 02 Bratislava. The company is registered in the Commercial Register of the Municipal Court of Bratislava III, Section: Sa, Insert No.: 4295/B, Registration number (IČO): 36 853 054, Tax ID Number (DIČ): 2022505419.

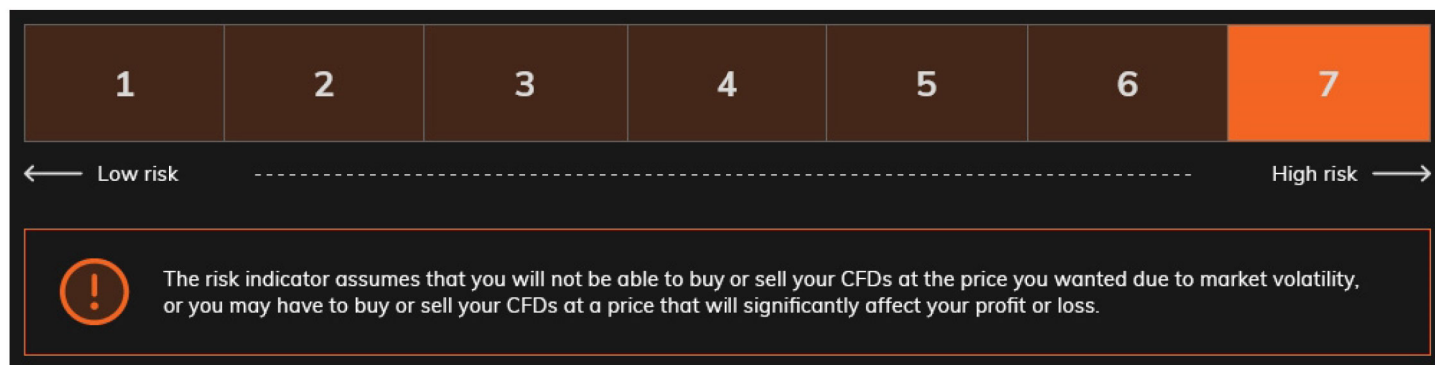


These fees will reduce any net profit or increase your losses. The Brokerage Company reserves the right to unilaterally close any position if it considers that the terms of the contract have been breached.

### Target investor

This product is available for investors who have knowledge of the financial markets and are expected to have had experience with leveraged trading in the past. Investors are expected to understand how CFD on Commodities prices are derived, the key concepts of margin and how leverage works. In addition, they must understand that leveraged trading can cause the loss of all invested capital and be able to bear losses.

### Risk indicator



The risk indicator can show you the risk associated with these products compared to other products. It is an indicator of how product movement can lead to financial loss for the investor. The risk indicator has been set to the highest level. The rate indicates the potential losses from future product performance. CFDs on Commodities are leveraged and risky products that can cause losses. Losses cannot exceed the amount invested (negative balance protection), but you may lose all your invested capital. There is no capital protection against market risk, credit risk and/or liquidity risk.

### Currency risks

CFD on Commodities can be bought or sold in a currency other than the currency of your account. The final amount you may receive depends on the exchange rate between the two currencies.

### Performance scenarios

The scenarios below are a demonstration of how an investment might develop, allowing you to compare the different products and their scenarios to determine which product is better for you. The scenarios presented are an indication of possible future performance based on past performance and are not an accurate indicator.

The outcome will be based on the performance of the market and how long you hold a particular CFD. The stress scenario indicates a possible outcome under extreme market circumstances. **The future development of the market cannot be accurately predicted. The below scenarios are only an indication of some possible outcomes based on recent results.**

### Scenario

CFD	
Opening price: P	600
Trade size (by CFD): TS	5
Margin %: M	10%
Contract size: K	50
Margin requirement (€): $MR = P \times TS \times M \times K$	15000
Trade notional value (€): $TN=MR/M$	150000

Table 1

BUY Performance Scenario	Closing price (including spread)	Price change	Profit/loss Gross	SELL Performance Scenario	Closing price (including spread)	Price change	Profit/loss Gross
Favorable	609 €	1.5%	2,250 €	Favorable	591 €	1,50%	2,250 €
Moderate	604.5 €	0.75%	1,125 €	Moderate	595,5 €	0,75%	1,125 €
Unfavorable	591 €	-1.5%	-2,250 €	Unfavorable	609 €	-1,50%	-2,250 €
Stress	570 €	-5%	-7,500 €	Stress	630 €	5%	-7,500 €





### **What happens if the Brokerage Company is unable to pay the amount requested?**

The Brokerage Company separates all funds of its clients from its own funds in various bank accounts in accordance with section 71h of Act No. 566/2001 on securities and investment services. In addition, the Brokerage Company contributes to the Investment Guarantee Fund (GFI). The purpose of the GFI is to secure the claims of covered clients by paying compensation in cases under the Securities Act. The total amount of compensation payable to each covered client of the Brokerage Company is up to a maximum of EUR 50,000. For more information, please visit [www.garancnyfond.sk/](http://www.garancnyfond.sk/).

### **What are the costs? \***

<b>One-off entry or exit costs</b>	<b>Spread</b>	The difference between the sell price and the buy price.
	<b>Minimum commission</b>	Minimum fee charged for the service related to the execution of the transaction (relates ONLY to shares)
<b>Running costs</b>	<b>Swap</b>	If you hold an open buy or sell position after the market closes, you will be subject to a swap fee.

\* For more information, please visit [www.investingfox.com](http://www.investingfox.com)

### **How long should I keep the product, and can I withdraw the money sooner?**

CFDs on Commodities do not have a recommended holding period. Assuming the markets are available for trading an investor can buy and/or sell CFD Commodities at any time. Please refer to the trading hours of the financial instruments at [www.investingfox.com](http://www.investingfox.com).

### **How can I complain?**

If you, as a client or potential client of CAPITAL MARKETS, o.c.p., a.s., wish to file a complaint, you may do so by sending an e-mail to the Brokerage Company's e-mail address [info@capitalmarkets.sk](mailto:info@capitalmarkets.sk) or by sending correspondence to the following address CAPITAL MARKETS, o.c.p., a.s., Slávičie údolie 106, Bratislava – Staré mesto, 811 02 Bratislava.

If the entity that sells you a service of CAPITAL MARKETS, o.c.p., a.s. or provides financial intermediation or investment advice is not the Brokerage Company directly, please contact this entity directly in accordance with the current complaints procedure available on the Brokerage Company's website [www.capitalmarkets.sk/o-nas/licencie-a-regulacie/](http://www.capitalmarkets.sk/o-nas/licencie-a-regulacie/) or [www.investingfox.com](http://www.investingfox.com).

If you are not satisfied with the response to your complaint, you can complain directly to the NBS regulator. For contact details and further information, please visit [www.nbs.sk/sk/o-narodnej-banke/kontakty](http://www.nbs.sk/sk/o-narodnej-banke/kontakty).

### **Other relevant information**

All relevant documents containing detailed product information, including information on product features and fees, such as General Terms and Conditions, Pre-Sales Information, etc. can be found at [www.capitalmarkets.sk](http://www.capitalmarkets.sk) or [www.investingfox.sk](http://www.investingfox.sk).