

Rollover Rates

The most common costs associated with trading currencies are the spread and rollover rates.

Rollovers are only applied to positions that are open at market close in New York – 5pm ET. You can either earn or pay when a rollover is applied to your position.

When trading a currency you are borrowing one currency to purchase another. The rollover rate is typically the interest charged or earned for holding positions overnight. A rollover interest fee is calculated based on the difference between the two interest rates of the traded currencies.

We run an end of day process, where all positions held open during that time will be debited/credited. Clients who hold long positions will be credited/debited by $-1 \times \text{notional amount} \times \text{swap points unit quote currency}$, while short positions will be debited/credited by $\text{notional amount} \times \text{swap points in unit quote currency}$.

For EUR/USD, if swap rates were 0.817/1.28, on a long position of €10,000 you would be charged \$1.28 to hold the position overnight. If you were to sell EUR/USD for €10,000, you would receive \$0.82 overnight. These amounts are then converted back into your base currency.