

?What is a CFD

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?What is a CFD □

A **CFD (Contract for Difference)** is a derivative instrument that allows traders to speculate on the price movements of an underlying asset **without owning the asset itself**

?How does it work □

:When trading CFDs

- You agree to exchange the **difference in price** of an asset between the opening and closing of a trade
 - You can trade on **rising (buy)** or **falling (sell)** markets
 - (You do not take ownership of the underlying asset (e.g., shares, commodities, indices)
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Key Characteristics □

- No physical ownership of the asset
 - Ability to trade both upward and downward price movements
 - (Typically traded using leverage (which increases both potential profit and risk)
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