***Calculation Example: Open Interest and Trading Volume***

**Question**: Alice, Bob, Chris and Delta are traders in the futures market. The following trades occur over a single day in a newly-opened equity index future that matures in one year which the exchange just made available:

1. Alice buys 3 futures from Bob.

2. Chris buys 2 futures from Delta.

3. Delta buys 1 futures from Alice.

Calculate the trading volume and open interest.

**Answer**: Trading volume is 6 contracts, the sum of all contracts bought.

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Open interest is 4, best calculated by adding the traders' net long positions (positive ‘net’ numbers = 2+2) as below.

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| Trading Activity |
|   | 1 | 2 | 3 | Net |
| A | 3 |  | -1 | 2 |
| B | -3 |  |  | -3 |
| C |  | 2 |  | 2 |
| D |  | -2 | 1 | -1 |
| Open interest | 4 |