

We purchase five futures contracts (each 100 ounces) for the delivery of 500 ounces of gold in December. Therefore, our daily gain is 500 times the change in futures price of one ounce. The initial margin is  $5 \times \$6000 = \$30,000$ . A margin call will happen when our initial margin falls below \$22500. Our initial bank balance is \$1,000,000. We put up \$30,000 initial margin, so the bank will be \$970,000 at the end of day one.

Day	Trade Price	Settlement Price	Daily Gain	Cumulative Gain
1	1,283.80			
2		1,289.10	2,650.00	2,650.00
3		1,277.50	-5,800.00	-3,150.00
4		1,267.20	-5,150.00	-8,300.00
5		1,264.20	-1,500.00	-9,800.00
6		1,265.90	850.00	-8,950.00
7		1,268.30	1,200.00	-7,750.00
8		1,255.50	-6,400.00	-14,150.00
9		1,257.00	750.00	-13,400.00
10		1,248.50	-4,250.00	-17,650.00
11		1,228.60	-9,950.00	-27,600.00
12		1,226.90	-850.00	-28,450.00
13		1,227.10	100.00	-28,350.00
14		1,216.10	-5,500.00	-33,850.00
15		1,218.90	1,400.00	-32,450.00
16		1,224.20	2,650.00	-29,800.00
17		1,227.70	1,750.00	-28,050.00
18		1,230.00	1,150.00	-26,900.00
19		1,236.40	3,200.00	-23,700.00
20		1,258.70	11,150.00	-12,550.00
21		1,252.80	-2,950.00	-15,500.00
22		1,253.60	400.00	-15,100.00
23		1,264.80	5,600.00	-9,500.00
24		1,258.90	-2,950.00	-12,450.00
25		1,256.50	-1,200.00	-13,650.00
26		1,259.80	1,650.00	-12,000.00
27		1,271.40	5,800.00	-6,200.00
28		1,265.70	-2,850.00	-9,050.00
29		1,275.40	4,850.00	-4,200.00
30		1,270.10	-2,650.00	-6,850.00
31		1,280.20	5,050.00	-1,800.00
32		1,282.70	1,250.00	-550.00
33		1,297.50	7,400.00	6,850.00
34		1,293.20	-2,150.00	4,700.00
35		1,279.50	-6,850.00	-2,150.00
36		1,271.40	-4,050.00	-6,200.00
37		1,268.90	-1,250.00	-7,450.00
38		1,268.60	-150.00	-7,600.00
39		1,275.90	3,650.00	-3,950.00
40		1,254.60	-10,650.00	-14,600.00
41		1,256.50	950.00	-13,650.00
42		1,246.70	-4,900.00	-18,550.00
43		1,243.50	-1,600.00	-20,150.00
44		1,245.80	1,150.00	-19,000.00
45		1,249.40	1,800.00	-17,200.00
46		1,256.40	3,500.00	-13,700.00

47		1,246.40	-5,000.00	-18,700.00
48		1,246.90	250.00	-18,450.00
49		1,249.10	1,100.00	-17,350.00
50		1,245.80	-1,650.00	-19,000.00
51		1,242.30	-1,750.00	-20,750.00
52		1,219.20	-11,550.00	-32,300.00
53		1,221.70	1,250.00	-31,050.00
54		1,223.30	800.00	-30,250.00
55		1,209.70	-6,800.00	-37,050.00
56		1,213.20	1,750.00	-35,300.00
57		1,214.70	750.00	-34,550.00
58		1,219.10	2,200.00	-32,350.00
59		1,217.30	-900.00	-33,250.00
60		1,227.50	5,100.00	-28,150.00
61		1,233.70	3,100.00	-25,050.00
62		1,241.90	4,100.00	-20,950.00
63		1,242.00	50.00	-20,900.00
64		1,245.50	1,750.00	-19,150.00
65		1,254.90	4,700.00	-14,450.00
66		1,254.30	-300.00	-14,750.00
67		1,258.50	2,100.00	-12,650.00
68		1,255.60	-1,450.00	-14,100.00
69		1,266.50	5,450.00	-8,650.00
70		1,275.30	4,400.00	-4,250.00
71		1,273.40	-950.00	-5,200.00
72		1,279.40	3,000.00	-2,200.00
73		1,278.40	-500.00	-2,700.00
74		1,274.40	-2,000.00	-4,700.00
75		1,264.60	-4,900.00	-9,600.00
76		1,264.70	50.00	-9,550.00
77		1,262.60	-1,050.00	-10,600.00
78		1,279.30	8,350.00	-2,250.00
79		1,290.10	5,400.00	3,150.00
80		1,294.00	1,950.00	5,100.00
81		1,290.40	-1,800.00	3,300.00
82		1,279.70	-5,350.00	-2,050.00
83		1,282.90	1,600.00	-450.00
84		1,292.40	4,750.00	4,300.00
85		1,291.60	-400.00	3,900.00
86		1,296.70	2,550.00	6,450.00
87		1,291.00	-2,850.00	3,600.00
88		1,294.70	1,850.00	5,450.00
89		1,292.00	-1,350.00	4,100.00
90		1,297.90	2,950.00	7,050.00
91		1,315.30	8,700.00	15,750.00
92		1,318.90	1,800.00	17,550.00
93		1,314.10	-2,400.00	15,150.00

94		1,322.20	4,050.00	19,200.00
95		1,330.40	4,100.00	23,300.00
96		1,344.50	7,050.00	30,350.00
97		1,339.00	-2,750.00	27,600.00
98		1,350.30	5,650.00	33,250.00
99		1,351.20	450.00	33,700.00
100		1,335.70	-7,750.00	25,950.00
101		1,332.70	-1,500.00	24,450.00
102		1,328.00	-2,350.00	22,100.00
103		1,329.30	650.00	22,750.00
104		1,325.20	-2,050.00	20,700.00
105		1,310.80	-7,200.00	13,500.00
106		1,310.60	-100.00	13,400.00
107		1,316.40	2,900.00	16,300.00
108		1,294.80	-10,800.00	5,500.00
109		1,297.50	1,350.00	6,850.00
110		1,311.50	7,000.00	13,850.00
111		1,301.70	-4,900.00	8,950.00
112		1,287.80	-6,950.00	2,000.00
113		1,288.70	450.00	2,450.00
114		1,284.80	-1,950.00	500.00
115		1,275.80	-4,500.00	-4,000.00
116		1,274.60	-600.00	-4,600.00
117		1,276.80	1,100.00	-3,500.00
118		1,273.20	-1,800.00	-5,300.00
119		1,274.90	850.00	-4,450.00
120		1,285.63	5,365.00	915.00

Margin Call      Day: 4,10,11,55

Margin Account Balance	Margin Call	Bank Balance
30,000.00		970,000.00
32,650.00	0.00	970,000.00
26,850.00	0.00	970,000.00
21,700.00	8300.00	961,700.00
28,500.00	0.00	961,700.00
29,350.00	0.00	961,700.00
30,550.00	0.00	961,700.00
24,150.00	0.00	961,700.00
24,900.00	0.00	961,700.00
20,650.00	9350.00	952,350.00
20,050.00	9950.00	942,400.00
29,150.00	0.00	942,400.00
29,250.00	0.00	942,400.00
23,750.00	0.00	942,400.00
25,150.00	0.00	942,400.00
27,800.00	0.00	942,400.00
29,550.00	0.00	942,400.00
30,700.00	0.00	942,400.00
33,900.00	0.00	942,400.00
45,050.00	0.00	942,400.00
42,100.00	0.00	942,400.00
42,500.00	0.00	942,400.00
48,100.00	0.00	942,400.00
45,150.00	0.00	942,400.00
43,950.00	0.00	942,400.00
45,600.00	0.00	942,400.00
51,400.00	0.00	942,400.00
48,550.00	0.00	942,400.00
53,400.00	0.00	942,400.00
50,750.00	0.00	942,400.00
55,800.00	0.00	942,400.00
57,050.00	0.00	942,400.00
64,450.00	0.00	942,400.00
62,300.00	0.00	942,400.00
55,450.00	0.00	942,400.00
51,400.00	0.00	942,400.00
50,150.00	0.00	942,400.00
50,000.00	0.00	942,400.00
53,650.00	0.00	942,400.00
43,000.00	0.00	942,400.00
43,950.00	0.00	942,400.00
39,050.00	0.00	942,400.00
37,450.00	0.00	942,400.00
38,600.00	0.00	942,400.00
40,400.00	0.00	942,400.00
43,900.00	0.00	942,400.00

Bank started at 1,000,000 on day 0

38,900.00	0.00	942,400.00
39,150.00	0.00	942,400.00
40,250.00	0.00	942,400.00
38,600.00	0.00	942,400.00
36,850.00	0.00	942,400.00
25,300.00	0.00	942,400.00
26,550.00	0.00	942,400.00
27,350.00	0.00	942,400.00
20,550.00	9450.00	932,950.00
31,750.00	0.00	932,950.00
32,500.00	0.00	932,950.00
34,700.00	0.00	932,950.00
33,800.00	0.00	932,950.00
38,900.00	0.00	932,950.00
42,000.00	0.00	932,950.00
46,100.00	0.00	932,950.00
46,150.00	0.00	932,950.00
47,900.00	0.00	932,950.00
52,600.00	0.00	932,950.00
52,300.00	0.00	932,950.00
54,400.00	0.00	932,950.00
52,950.00	0.00	932,950.00
58,400.00	0.00	932,950.00
62,800.00	0.00	932,950.00
61,850.00	0.00	932,950.00
64,850.00	0.00	932,950.00
64,350.00	0.00	932,950.00
62,350.00	0.00	932,950.00
57,450.00	0.00	932,950.00
57,500.00	0.00	932,950.00
56,450.00	0.00	932,950.00
64,800.00	0.00	932,950.00
70,200.00	0.00	932,950.00
72,150.00	0.00	932,950.00
70,350.00	0.00	932,950.00
65,000.00	0.00	932,950.00
66,600.00	0.00	932,950.00
71,350.00	0.00	932,950.00
70,950.00	0.00	932,950.00
73,500.00	0.00	932,950.00
70,650.00	0.00	932,950.00
72,500.00	0.00	932,950.00
71,150.00	0.00	932,950.00
74,100.00	0.00	932,950.00
82,800.00	0.00	932,950.00
84,600.00	0.00	932,950.00
82,200.00	0.00	932,950.00

86,250.00	0.00	932,950.00
90,350.00	0.00	932,950.00
97,400.00	0.00	932,950.00
94,650.00	0.00	932,950.00
100,300.00	0.00	932,950.00
100,750.00	0.00	932,950.00
93,000.00	0.00	932,950.00
91,500.00	0.00	932,950.00
89,150.00	0.00	932,950.00
89,800.00	0.00	932,950.00
87,750.00	0.00	932,950.00
80,550.00	0.00	932,950.00
80,450.00	0.00	932,950.00
83,350.00	0.00	932,950.00
72,550.00	0.00	932,950.00
73,900.00	0.00	932,950.00
80,900.00	0.00	932,950.00
76,000.00	0.00	932,950.00
69,050.00	0.00	932,950.00
69,500.00	0.00	932,950.00
67,550.00	0.00	932,950.00
63,050.00	0.00	932,950.00
62,450.00	0.00	932,950.00
63,550.00	0.00	932,950.00
61,750.00	0.00	932,950.00
62,600.00	0.00	932,950.00
67,965.00	0.00	932,950.00
	<b>37,050.00</b>	<b>932,950.00</b>

Total Margin Call	\$37,050
Total Profit	\$915
Bank Balance on day 120	\$932,950