

Introduction to Profit & Loss

Profit and Loss, often referred to as P&L or PnL, is a term used to describe the current state of a user's active positions while trading. By observing P&L users will be able to determine whether their positions are either in profit or loss.

A user's current position on Drift is the cumulative sum of all their filled orders (increasing, reducing, or closing) over time. All trading lots, per market and per subaccount, are combined into a single position to determine P&L.

The position table below shows the P&L for the current position. Users can toggle or % to change whether they would like to see P&L in dollar terms (\$) or in percentage terms (%).

In the above image, the P&L refers to the unrealised P&L or PNL of the open positions (SOL-PERP and ETH-PERP shorts). To realise this P&L, users will have to close their positions.

The PnL in the table above is calculated as the difference between the position's Entry Price with the current oracle price multiplied by the Size.

Withdrawing Realised P&L

A user's realised P&L can only be withdrawn once it has been settled/claimed on-chain.

Note: Realising P&L by closing the position is not the same as settling/claiming P&L. To withdraw a positive P&L, it must be settled/claimed first.

Settling and Claiming your P&L

To update the USDC balances available for withdrawal, your P&L must first be settled and claimed.

To do so, navigate to the Unrealised PnL tab and select Claim

Users can claim positive P&L when:

1. the open position has been closed or reduced (i.e. your uP&L has been partially or wholly realised); note: this step is only necessary when the pnl pool balance is limited
2. the market's P&L Pool has available balances to claim; and
3. their Cost Basis is below the Entry Price for longs or above the Entry Price for shorts.

What is the difference between Settling P&L and Realising P&L?

The main difference between settling P&L and realising P&L is that realised P&L is available to be withdrawn and used elsewhere whereas settled P&L is not.

Once realised, your P&L must also be settled and claimed before it can be withdrawn.

Realised P&L

Realised P&L refers to the profit and loss that is realised by the user when they close their position.

For example:

If you entered a long position on SOL at 30 and SOL is now 60; you would be in profit with an unrealised P&L of 30.

Similarly, if you entered a short position on SOL at 30 and SOL is now 15; you would be in profit with an unrealised P&L of 15.

The profit and loss in both those examples are known as unrealised P&L (uP&L) as that position is still open. The uP&L of the position will continuously change as the price of the asset changes.

Your P&L will not be realised until you close your position. Once you close your position, your uP&L will become realised P&L and you will be out of that perpetual futures position (i.e. you will no longer have exposure to the price movement of that underlying asset).

[Oracles Accounting and Settlement](#)