

How to get started with Nasdaq Veles California Water Index futures (H2O)

1. Know the basics

Before you start trading, get an understanding of how futures work in our interactive [Introduction to Futures](#) course.

2. Find a futures broker and open an account

In order to trade futures, you must [find a registered futures broker](#) who will maintain your account and guarantee your trades.

3. Fund your account

Brokers may require a minimum deposit before you can trade. Such deposits are maintained in segregated customer accounts by your broker.

4. Select a trading platform

Depending on your anticipated trading behavior/frequency, brokers offer different trading platforms with varying cost structures to most efficiently meet your needs.

5. Things to know before trading

Learn about permissible order types, how to submit an order, fees, and what happens after your order is placed. [Learn more.](#)

6. Select the contract month to trade

Eight consecutive quarterly H2O contracts (in the March cycle) are listed at any time including the nearest two monthly contracts.

7. To roll or not to roll

Traders who want to maintain exposure, can roll their position from the front month contract to a later expiry.

8. Understanding daily profit and loss

The process of mark-to-market (MTM) is used in the futures markets to determine daily futures profit and loss based, in this case, on the H2O settlement price.

9. Where/how do I see my trades, positions, and mark-to-markets?

Your futures broker will provide you with trade confirmations and statements that show all transactions, charges/credits, and your account balance.

10. Be an informed trader

Work on your trading strategy with CME Group's [innovative tools](#), including [Price Action Alerts](#), as well as additional information to expand your understanding of the futures and options markets.

NASDAQ VELES CALIFORNIA WATER INDEX (H2O) FUTURES CONTRACT SPECIFICATIONS

PRODUCT CODES	CME Globex: H2O CME ClearPort: H2O Clearing: H2O
CONTRACT UNIT	10 acre feet x Nasdaq Veles California Water Index (NQH2O)
PRICE QUOTATION	US dollars per acre foot
MINIMUM PRICE FLUCTUATION	Outrights: \$1.00 per acre foot equal to \$10.00 per contract Calendar spreads: \$0.25 per acre foot equal to \$2.50 per contract
CONTRACT MONTHS	Eight consecutive quarterly contracts (Mar, Jun, Sept, Dec) plus nearest two serial months
SETTLEMENT METHOD	Financially settled
BLOCK TRADE MINIMUM THRESHOLD	25 contracts
LAST TRADING DAY	Business day prior to final settlement day
FINAL SETTLEMENT DAY	Third Wednesday of the contract month if a CME business day, otherwise the next business day

To learn more about NQH2O futures, visit cmegroup.com/water.

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