

Profitable INVESTING Tips

Stock Market Investing Tips, Techniques, and Resources



Future Dow Jones

By www.ProfitableInvestingTips.com

The Dow Jones Industrial Average is a market index of thirty large cap companies listed on the US stock exchanges. It has been around since 1896 and is the stock index most commonly followed by both investors and the general public. It was named for Charles Dow and Edward Jones. The SPDR Dow Jones Industrial Average ETF allows investors to replicate Dow performance in their own portfolios. As noted by *Investopedia*, the SPDR [Dow Jones Industrial Average ETF](#) is the only ETF that tracks the Dow. As with individual stocks on US markets, one can buy and sell Dow Jones Industrial Average Futures as well as any given Dow constituent.

Dow Industrial Average Futures

Investors who want to speculate on movements of the Dow or who wish to hedge against loss with other investments can buy and sell Dow Industrial Average Futures. The most commonly used futures instruments are called E-mini Dow Futures. These futures are products of the CME, Chicago Mercantile Exchange, and expire in March, June, September, and December. You can trade these almost twenty-four hours a day on the CME Globex exchange starting on Sunday afternoon and ending on Friday afternoon,

The ticker symbol for E-mini Dow futures is YM and a minimum tick is one index point or \$5. To maintain a position with CME you need continuing equity of \$3,200 and a starting payment of \$3,550. The most common use of these futures is to hedge commodity investments.

What Does Dow Futures Mean?

When you listen to the early business news, you commonly hear that Dow futures are moving up or down. Investors use this information as an indication of where the market is headed for the day. Those who buy Dow Futures make money when the Dow goes up and those who sell Dow futures make money when the index goes down. Dow futures work like all other futures. They are contracts that define the price at which it will be bought or sold at a specified future date. You do not need to own any of the Dow stocks to buy and sell futures.

How Do Dow Futures Work?

Dow Jones Futures trade on the Chicago Board of Trade starting an hour and ten minutes before the markets open. Because you trade these futures on an exchange, you are protected against the risk of other parties not following through on their side of the trade.

When you trade Dow futures there is built-in leverage by a ten-fold multiplier. Thus, for each dollar or point that the DJIA fluctuates, your contract goes up or down by \$10. This gives the trader the opportunity to make substantial profits on relatively small investments but also opens the door to huge losses on poorly planned trades.

Dow Futures Stock Price

The Dow Jones Futures follow the Dow Jones Industrial Average. Thus, when the Dow is in the \$25,000 range in July of 2020, that is the Dow Futures "Stock Price." For every point that the Dow goes up or down, the buyer of a Dow futures contract makes \$10 and the seller loses \$10 on their trade. The Dow goes up or down based on the thirty individual large cap stocks in the index. These price movements can be based on earnings reports (past performance) or predictions of the economy going up or down (future performance).

Dow Futures Hours

Dow Jones Industrial Average futures trade on the CME Globex from Monday through Friday. However, trading actually starts at 5 pm the previous day so Monday trading really starts at 5 pm US Central Time on Sunday. With a built-in trading halt each day from 3:15 pm to 3:30 pm, trading goes until 4:15 pm. Thus, Saturday is the only day that Dow Futures do not trade. Futures traders need to be aware that downside and upside limits change throughout the trading day and that the times stated are always for the US Central Time Zone where Chicago is located.

Dow Futures Streaming

Dow Jones provides live streaming for both the Dow Jones Industrial Average and Dow Jones Futures which track the Dow Average. This information is useful for those who want to buy or sell Dow Jones futures either go get into or to get out of a position. This information can be found on the Dow Jones site and can be integrated into a trading platform for the active day trader. Using Dow futures streaming, a trader can use tools like [important moving averages](#) to guide their trading. This information can also be analyzed with [Japanese Candlestick Trading Signals](#).

Current Dow Futures Live

You can see current Dow futures live on the Dow Jones site or on any of several sites that feature trading information and advice. In general, you will not be able to use an ad blocker as these sites aim to present advertising and to sell things. They use live streaming to get you to the site. The serious trader or investor using Dow futures will want to be connected through his or her trading platform to get live Dow futures without having to deal with the sort of spam emails and advertising too-often associated with commercial sites.

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