

Forwards Vs Futures

Fundamentally, forward and futures contracts have the same function: both types of contracts allow people to buy or sell a specific type of asset at a specific time at a given price.

However, it is in the specific details that these contracts differ.

Forward Contract (Forwards)

A forward contract is an agreement between two parties to buy or sell an asset (which can be of any kind) at a pre-agreed future point in time.