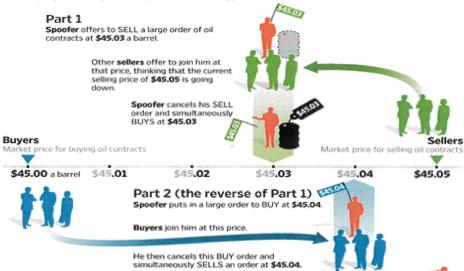
How Spoofing Works

Traders spoof by offering an artificial price for a contract, profiting when they dupe others into buying or selling at that price, as in the hypothetical below.



The result is that the spoofer bought oil at \$45.03 and then turned around and sold for \$45.04, making a profit of \$0.01 on each of thousands of barrels of oil. Using this method to buy and sell numerous large orders can net the spoofer big cumulative profits in just a few hours.

Sources: WSJ review of exchanges guidelines: U.S. Commodity Futures Trading Commission

THE WALL STREET JOURNAL