

Order Guide

Definition of an Order:

An Order is an instruction to execute a trade when the price of a market reaches the price you specify.

Why use orders?

Orders can be used as trading tools that allow you to open, close, or amend your trade at prices dictated by you. They can help you to be flexible with your trading decisions and to manage risk. Orders can be used to support a range of different trading strategies.

Order Types:

Opening order types

Limit Order An Order to automatically open a Trade at a better price than the current Our Price of a market, providing the price of the market reaches the specified order level

Stop Order An Order to automatically open a Trade at a worse price than the current Our Price of a market, providing the price of the market reaches the specified order level

One Cancels the Other (OCO)

An OCO Order will allow you to take multiple views on the same market by placing two simultaneous opening Orders. When Our Prices trigger one Order, that order will be executed whilst the remaining order will automatically delete

Closing order types

An Order to automatically close a Trade at a better price than the current Our Price of a market, locking in a profit

Stop Loss An Order to automatically open a Trade at a worse price than the current Our Price of a market, normally for a loss

If Done/Contingent Orders

"If Done/Contingent Orders" are Closing Orders attached to an Opening Order that will be activated once the Opening Order has been executed into a Live Trade

Order Examples:

Opening Orders

Limit Orders

A Limit Order can be used to execute a Trade at a better price than the current price for a market.

Buying LONG

You could use a Limit BUY Order to create a new open position at a price which is lower than the price quoted at the time
e.g. 1420



Selling SHORT

You could use a Limit SELL Order to create a new Open Position at a price which is higher than the price quoted at the time e.g. 1700



Stop Orders

A Stop Order is an instruction to execute a trade when the price reaches a worse price than the current Our Price for a market.

Buying LONG

You could use a Stop BUY Order to create a new Open Position at a price which is higher than the price quoted at the time, e.g. 994



Selling SHORT

You could use a Stop SELL Order to create a new Open Position at a price which is lower than the price quoted at the time, e.g. 985



Closing Orders

Limit Orders

A Limit Order can be attached to an Open Trade to automatically close the position at a better price, allowing you to lock-in a profit.

LONG Stock 'A' at 321 If you want to take profits at 360, you can set a Closing Limit Order to SELL at 4404



SHORT Stock 'A' at 359 If you want to take profits at 320, you can set a Closing Limit Order to BUY at 4000



Stop Loss Orders

A Stop Loss Order can be attached to an Open Trade to automatically close the position at a worse price for a loss. It is therefore a key tool to help minimise your losses in the event that a price moves against you.

LONG Index 'A' at 4250 If you want to take losses at 3750, you can set a Closing Stop Loss to SELL at 60



SHORT Index 'A' at 4000 If you want to take losses at 4500, you can set a Closing Stop Loss to BUY at 1000



Please note that Market Gapping may occur. This is explained in more detail below.

Market Gapping and Slippage

Market Gapping occurs when prices literally gap between one price and the next, without trading at the prices in between.



A standard Stop Loss Order does not fully protect your trading risk. As outlined earlier, a Stop Loss Order is set at a specified price which, when reached, automatically triggers an Order to close your position. The closing trade is executed at the next available price immediately after the Order is triggered. This can be at the same, a better or a worse price than the specified execution level. In cases of severe gapping, the execution price may be at a substantially worse price than your Order price.

Guaranteed Stop Loss Orders (GSLO):

A Guaranteed Stop Loss Order ensures that the level at which an Order will be executed is the exact level that specified by the trader, regardless of any gapping in the market.

GSLO fundamentals:

- *GSLO Premium – there is an additional charge for placing a GSLO upon confirmation of the Order*
- *Amendments – a GSLO can be amended without additional charges and during trading hours only*
- *Minimum Distance – Order levels must be placed a minimum distance above and below the current Our Price*
- *Availability – GSLOs are not available on all markets*

We recommend you consider using a GSLO:

- *if you are trading in volatile markets*
- *if you don't want to risk more than your initial deposit*
- *if the Market is prone to gapping*

Order Guide

Example

LONG Stock 'A' at 150p

GSLO placed at 130p

Stock 'A' closes at 135p on Tuesday. On Wednesday it announces disastrous results before the market opens. This means that when trading hours begin, Stock 'A' prices open at 125p.

If you had placed a standard Stop Loss Order, the Trade would have been automatically closed at 125p. However, as the Stop Loss was guaranteed, the Trade is automatically closed at the specified 130p.

How long are Orders valid for?

You can choose how long you would like us to maintain your Order by selecting the relevant 'Good Until' setting.

<u>Good Until Settings</u>	<u>Setting Description</u>
"GFD" or "Good for the Day"	The Order will have effect only on the day on which it is placed. If the market trades during fixed trading hours (not 24 hours), then it will expire at the end of the day's trading hours. If the market is 24 hours, the Order will expire at midnight.
"GTT" or "Good till Time"	The Order will be applicable and have effect from the day it is placed until a date and time specified by you.
"GTC" or "Good till Cancelled"	The Order will be applicable and have effect from the day it is placed until you cancel it.