

ORDER TYPES

1. Stop Order

- To minimize a loss on **BUY** or **SELL** position
- To initiate a new **BUY** or **SELL** position

Buy Stop - Always above market

Sell Stop - Always below market

2. Limit Order

- Usually place to maximize purchase price in buy order; minimum sale price in sell order.

Buy Limit - Always below market

Sell Limit - Always above market

3. Stop Limit Order

- It's the combination of **STOP** and **LIMIT** orders

Once your **STOP** order is triggered, but you don't wish to be filled beyond the **LIMIT** price

- This order should usually not be used when trying to exit a position

Example:

Market is currently bearish at 2470 and you are holding a FCPO long position at 2500

You want to cut your loss but still want to hold this position because there might a rebound. You can locate a **SELL STOP LIMIT** order. **Stop** at 2460, **Limit** at 2440.

So even though the market goes down to 2450, you still stand a chance to reduce or recover your loss as there might be a rebound.

4. GTC Order

- Work the same with rest of the orders. But exchange won't cancel your order although the market closes, the order will remain until it is executed or your manually cancel it.

Example of when to use these orders:

1. Cut Loss

- Having a BUY position on FCPO at 2500, you are afraid that the market will go down therefore you can locate a SELL STOP order at 2480 to cut your loss in the market goes down.

2. Take Profit

- Having a BUY position on FCPO at 2500, you can locate a SELL LIMIT order at 2520 to take profit if market is doing well.

3. Enter market

Market is bullish

- You can enter the market immediately using BUY MARKET order
- Locate a BUY STOP order at 2500 to enter the market, close your position with SELL LIMIT at 2520 or SELL MARKET to take profit

Market is bearish

- You can enter the market immediately using SELL MARKET
- Locate a SELL STOP order at 2500 to enter the market, close your position with BUY LIMIT at 2480 or BUY MARKET to take profit