

Different Order Types

Limit orders and market orders and the order book

Bid (Buy Order)

- User1 „wants“ 100 FIXED-Tokens for each \$10. He creates a „buy“ order: FIXED100@10
 - There are no users who sell FIXED-Tokens for that price
 - It gets written into the „OrderBook“.
- The Order-Book for FIXED-Tokens contains one buy-order now:
 - 100 Fixed tokens can be purchased for \$10 each
- User2: 50 FIXED-Tokens, but offers a better price: \$12 each. New „buy“ order: FIXED50@12
 - Order Book for Fixed tokens now:
100@10, 50@12

Order Book

- 100@10, 50@12
- New „SELL“ Order:
 - 10 FIXED tokens for \$10 each. SELL FIXED10@10
 - OrderBook: Someone “would” by it for \$12 too
- Order Executed
 - 10@12
- New OrderBook: 100@10, 40@12

Sell Order

- Sell 100@10
- Order Book: 100@10, 40@12
- Order Executed
 - 40@12
 - 60@10
- New Order Book: 40@10

Partial Order Fulfillment

- Order Book: BID 40@10
- New Order: SELL 50@9
- Executed: 40@10
- New Entry in Order Book: ASK 10@9

What you learned

- **Limit Order**
 - Is saved
 - Or Partly Executed
 - Also called „Market Maker“
- **Market Order**
 - Is immediately executed until volume is reached
- **Order Book**
 - Is where the bid/ask orders are written to

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Thanks!

- Questions?
 - Head over to the Course Q&A!
- Feedback?
 - Would be great.