

144_Trading Orders: Stop Loss Order

What is a stop loss order and how does it work?

You may already know the Stop Loss Order from the stock area. It is a kind of life insurance in the crypto area when trading.

Here you enter the price below which the cryptocurrency must not fall.

As soon as this price is broken, the order is executed.

It protects you from loss and you can use this order to take profits too!

Let's take a look at the following example:

An order is placed in the order book to sell 1 bitcoin for EUR 14,900 (sell price) if the bitcoin price reaches or falls below EUR 15,000 (this price is also called the trigger price). Otherwise there is no sale - only if the trigger price is snapped!

To be on the safe side, you should record this for every trade if you can no longer monitor all prices every day and also adjust the stop prices regularly.

How do you place a stop-loss order now?

You can do this in just 5 steps:

STEP-by-STEP purchase instructions

Step 1: Stop-Limit or Stop-Loss (the naming is usually different on the stock exchanges) Click the Order button

Step 2: Enter trigger price. In our example 15,000 US Dollar

Step 3: Enter the sales price. In our example 14,900 US Dollar

Step 4: Choose amount of how much you want to sell at the price in step 3

Step 5: Press the sell button.

From now on everything happens automatically. You have nothing more to do there.