PARSHWANATH CHARITABLE TRUST'S



#### A.P. SHAH INSTITUTE OF TECHNOLOGY

Department of Computer Science and Engineering
Data Science



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### TRAILING STOP LOSS!

A trailing slop Loss follows (or "trails") the market price at a fixed distance. If the price moves in your favour, the slop-loss price adjusts accordingly. But if the price reverses, the slop-loss remains at its last position, locking in gains or minimizing losses.

# Example

Leti say you buy a stock at Re100, and set a trailing a lop loss of Re. 5.

\*Price rises to Rs. 110 - Trailing stop now moves to Re\$105 (Rs 110 - Rs 5)

\*Price goes up lo Rs 115 - Stop loss now is Ro. 110

Price drops to Re. 110 - No action.

\*Price drops lo Re. 109 - Hils trailing stop loss at Re. 110, trade is existed automatically.

### Conclusion:

Trade exited at RS110, securing a Rs. 10 profit pershare.

## Benefils:

- -> Protects profile automatically.
- -> No need for conitant monitoring.
- -> Adapte to market conditions.