Suppose the market is running in 90 i.e seller and buyer wants to buy it in 87 when the market price decrease to 87 it will be executed in open order and the buyer also keeps the **trigger price** that is for example 86 because he can bear till that amount only.

And the **stop limit** is when the seller kept it has 90 and buyer can buy till 88 but can have the stop limit from buyer side.

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| |  |  | | --- | --- | | **Stop Loss Trigger Tool** | | | The Stop Loss Trigger Tool is actually a bit of a misnomer.  This tool is most useful in protecting your profits on an open position. The Stop Loss order is a conditional order to either Buy or Sell.  The condition being that the order is activated only when that stock trades at a specific price defined by you. As is the case in any order, you will have to specify the quantity and the limit price (or market price) at which you want the order to be executed.  And in addition you will have to specify a Trigger Price.  Only if the Exchange records a trade at the price defined as Trigger price by you, will your order will be activated.  In case you choose to use a Limit price (as opposed to market price) for your Stop Loss order, you must remember the following guideline :  - For a Buy order, the limit price must be greater than or equal to the trigger price.  - For a Sell order, the limit price must be less than or equal to the trigger price.  If, for a stop loss order to buy, the trigger price is 93.00, the limit price is 95.00 and the market (last trade) price is 90.00, then this order will be released into the system once when the market price reaches or exceeds 93.00. This order will be added to the order queue at the exchange with the time of triggering as the time stamp, as a limit order to buy at Rs95.00. Till such time that the order is triggered it will stay in a separate queue at the exchange which is not visible to other market participants.  **Remember even the stop loss tool is valid only for a trading day. If your stop loss order is not triggered during the trading day, it shall lapse automatically at the end of the trading session.**  **When do you use a Stop loss order?**  The Stop Loss order is a great way for a trader to manage his exposure in the market. Lets us say that a trader wants to buy ABC company at Rs100 because he expects the price to rise to Rs120 in a short time. But he does not want to take an unnecessary risk and hence he wants to exit the trade (sell his shares) in ABC company if the price drops below Rs95.  So he first buys 100 shares at Rs100. Then to protect himself against an unexpected movement and limit his losses he would punch in a stop loss sell order for 100 shares of ABC Co. with a trigger price of Rs95. He could choose to sell with a limit price of his choice or at market price.  So if the shares of ABC drop to trade at Rs95 his order is immediately triggered and pushed into the queue for execution.  This system finds similar application in the case of short positions.  **Disclosed Quantity :** The system provides a facility for entering orders with quantity conditions: DQ order allows the member to disclose only a part of the order quantity to the market. DQ (Disclosed Quantity) should not be less that 10% of the Order Quantity and at the same time should not be greater than or equal to the Order Quantity. |  | |