

 Search for articles...[All Collections](#) > [Trading Basics](#) > [What is slippage? Understanding Slippage in Trading](#)

# What is slippage? Understanding Slippage in Trading

Updated this week

Table of contents



Slippage is a natural occurrence in trading and not something to be seen as entirely negative. It occurs when a trading order is executed at a price different from the one initially requested, and it is a normal part of participating in a dynamic and fast-moving market.

Just as legendary investor Warren Buffett once remarked, "[The true investor welcomes volatility. A wildly fluctuating market means that irrationally low prices will periodically be attached to solid businesses.](#)"

While forex trading differs from investing in stocks, the underlying principle remains the same: **volatility**, though challenging, often creates opportunities. Similarly, slippage, though sometimes seen as negative, is a normal aspect of a fast-moving market that reflects its dynamic nature.

To execute a trade, there must be **sufficient price and volume availability** in the market. If the requested price is not available due to market conditions, the order is executed at the **next best available price**. This naturally leads to slippage, particularly during periods of high volatility or low liquidity.

---

## Why Does Slippage Occur?

Slippage typically occurs during periods of **high volatility or low liquidity**, such as **major news announcements or market openings**, where rapid price movements are common. Sometimes there can be **sudden volume surges** in the market. In these environments, if the market cannot

meet the desired price of the trader due to insufficient liquidity, orders are executed at the next best available price. The difference between the requested price and the execution price creates slippage.

---

## Slippage After a Market Gap:

A **market gap** occurs when there is a significant price difference between the closing price of one trading session and the opening price of the next, typically caused by major news or **events after market closure**. These gaps are a **normal** part of market dynamics but can lead to unexpected outcomes for traders.

At FundedNext, we are not responsible for any issues resulting from market gaps, as they are a natural part of real market conditions. Therefore, we cannot offer any adjustments for such occurrences.

[Click here to learn more.](#)

---

## A Note to Our Traders

At FundedNext, we are committed to delivering reliable service and ensuring efficient trade execution under **real market conditions**. It is important to understand that **slippage is a natural aspect** of trading and reflects the natural behavior of financial markets, especially during **high-impact news** events. To maintain a fair and transparent simulated trading environment, we replicate real market conditions so that traders experience conditions similar to those they would face in **live markets**. As part of this, slippage, which naturally occurs in the market, will also be present.

While slippage is unavoidable, we work hard to support our traders in navigating uncertainties. However, any cases of slippage during high-impact news releases will not be addressed unless it is a total execution failure. **Adjustments will only be considered for trades placed after 10 minutes of the news publication.**

Understanding and accepting slippage is essential for developing a professional trading mindset. Rather than seeing it as a setback, **successful traders** recognize slippage as a natural part of trading in dynamic markets. At **FundedNext**, we encourage our traders to adopt this perspective, enabling them to stay focused on refining their strategies, managing risks effectively, and making confident, informed decisions in any market condition.

---

## Related Articles

What are the Restricted/Prohibited Trading Strategies? >

Is News Trading allowed at FundedNext? >

Is News Trading allowed in the Stellar 1-Step Account? >

Is News Trading allowed in the Stellar 2-Step Account? >

Is News Trading allowed in the Evaluation Account? >

Did this answer your question?



support@fundednext.com