

Placing a Conditional Order

Conditional Orders are essentially trades for which the client specifies the conditions for execution – i.e., the price. There are several types of Conditional Orders and these orders can be linked to one another. The types of orders are:

- **Limit:** Used to take profit when the price moves in your favour. This type of order is used to take the benefits of an existing position, but can also be used to open a new position at a specified level.
- **Stop:** Instruction to restrict losses when the price moves against you. They are used to reduce the potential loss of an existing open position, but can only be placed to open a new position when the market breaks a given level.
- **OCO:** The OCO order (One Cancel the Other) is a special kind of order where both limit and stop are linked. With this type of order, once one of the two active orders is executed, the second one is cancelled directly.

Conditional Orders are executed automatically by VANGUARD™ Pro. when the specified price is reached.

They can be used alone or combined in a second type of order called “two-legged orders”. There are 2 sorts of two-legged orders:

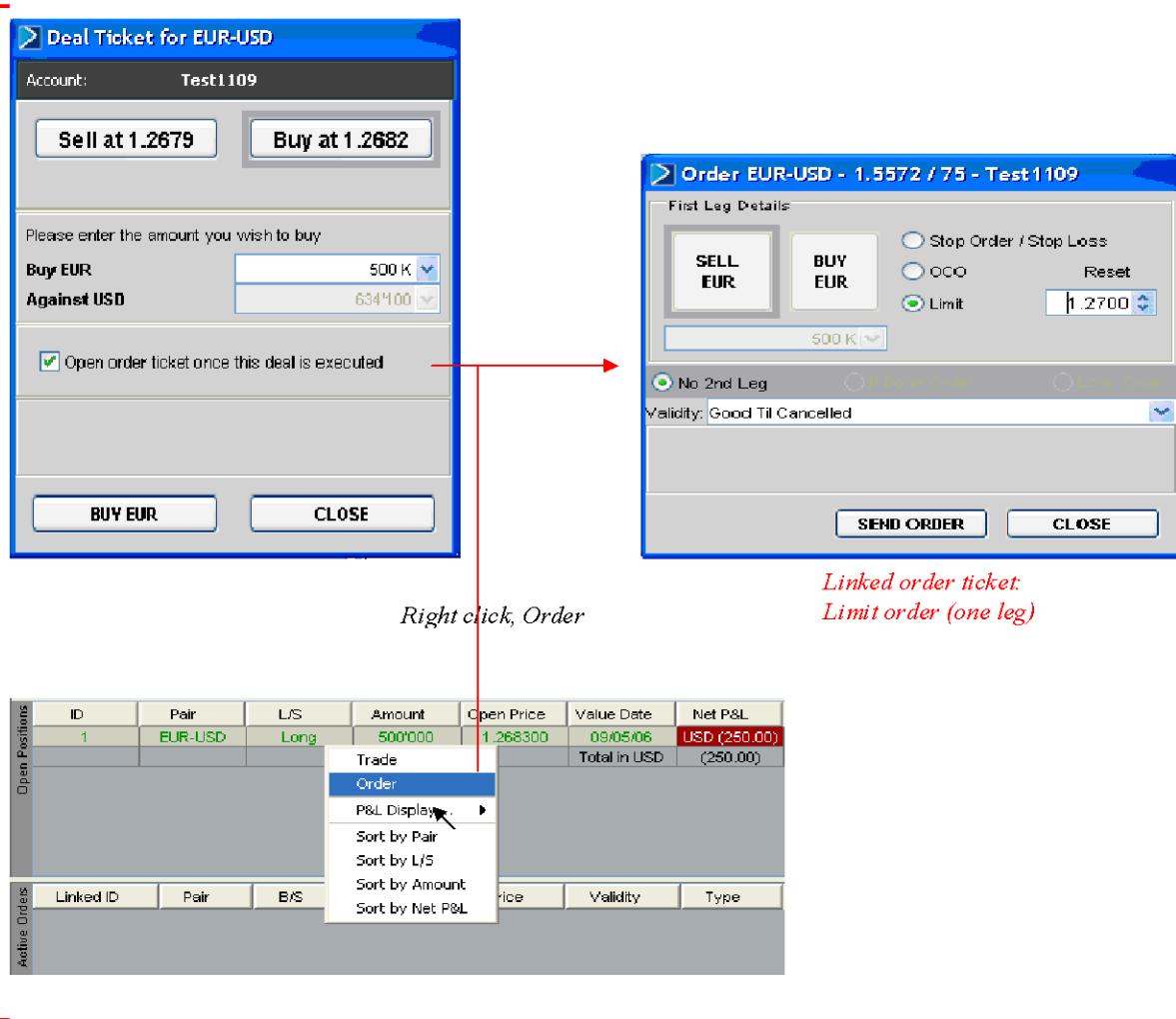
- The **If Done Order** consists of two separate orders where the second order becomes active only if and when the first order has been executed. The first leg, a Limit or a Stop, is created as active, while the second, a Limit, a Stop or even an OCO is set to status dormant. When the price is touched for the first leg, this one is executed and the second leg becomes active.

Like we have seen for the Deal ticket, there are also several possibilities to open an order ticket.

The Order Ticket can be invoked from the Open Positions window, the Instruments window, or one of the Price windows. It can also be opened directly by selecting the “Open order ticket once this deal is executed” checkbox of the deal ticket.

Orders on open positions

When you open an order on an existing position (popup menu, Order) or when you select the deal ticket checkbox, the default order ticket fields are set with the predefined values in order to close this position. As we have seen for deal tickets, neither the amount nor the direction for order tickets on open positions can be modified. We are also unable to define a multiple order (with more than one leg), because these types of orders can't be linked to open positions.



Opening a liked order

Right click, Order

Linked order ticket: Limit order (one leg)

Open Positions		ID	Pair	L/S	Amount	Open Price	Value Date	Net P&L
	1	EUR-USD	Long	500'000	1.268300	09/05/06	USD (250.00)	
							Total in USD	(250.00)

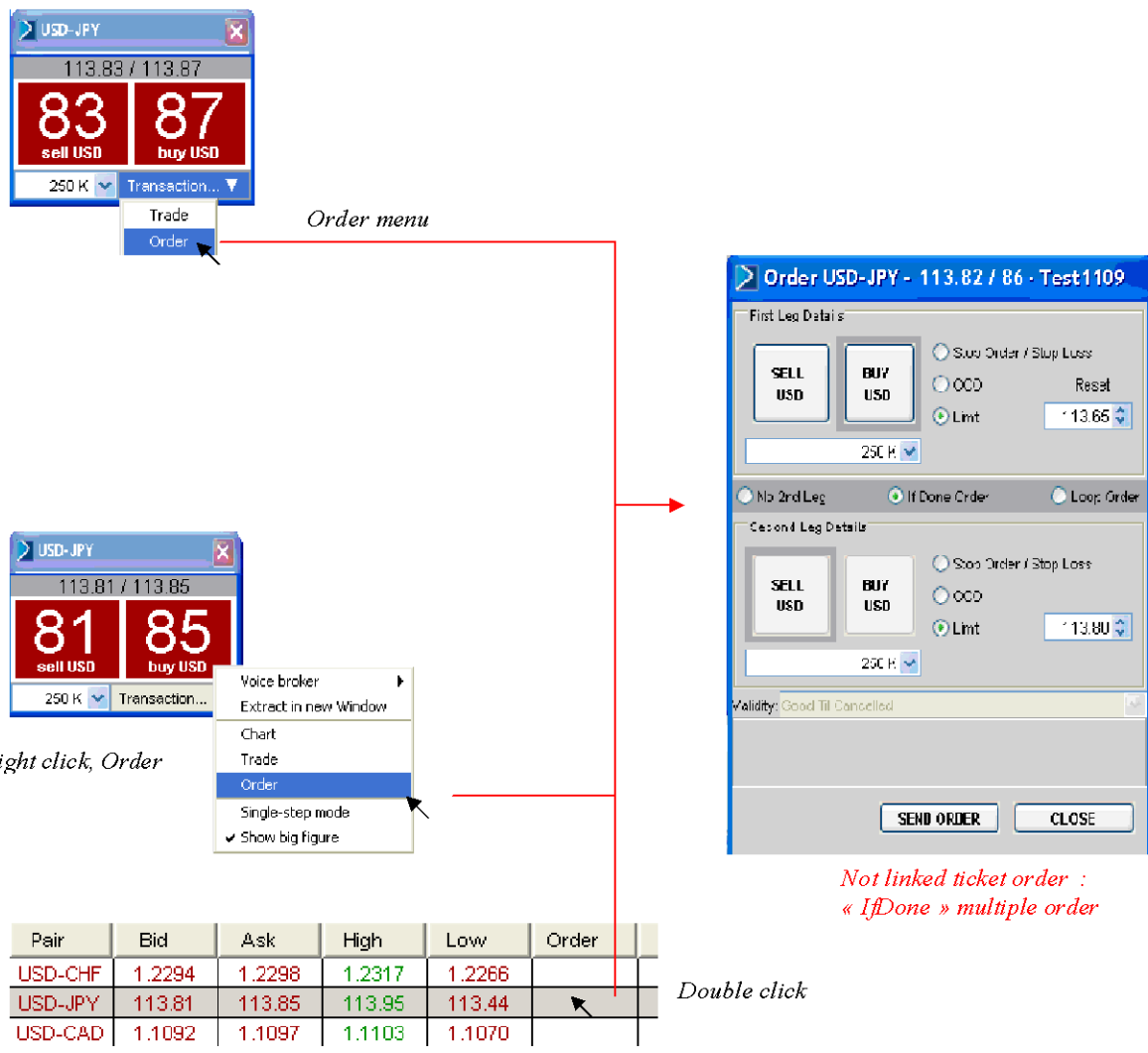
“Not linked” orders

Not linked orders are those that are independent from an open position (this means that they are not dedicated to close a specified position, even if it's possible that they do).

They can be called from an instrument price window (by opening the popup menu and selecting *Order*, or with the *Transaction...* Menu, then *Order*). The default order ticket is a sell or a buy, depending on the position of the mouse on the price displays where the popup menu was called (sell or buy). It's always a sell when it's called from the *Transaction...* Menu. The order ticket default amount is set to the Instrument price window one.

From the Instruments window an Order Ticket is opened with no values set by default (double click on the Order column of a currency pair).

Opening a not linked order



Order menu

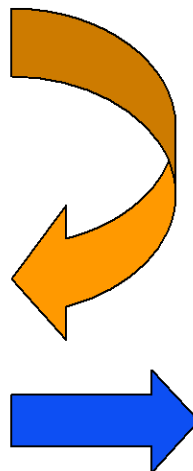
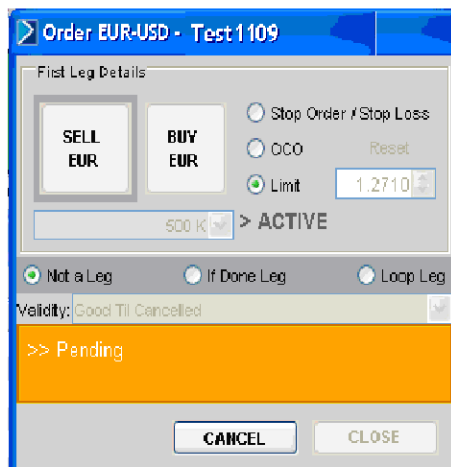
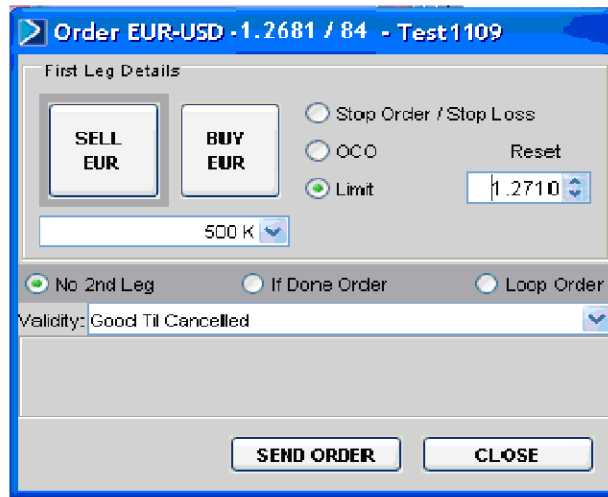
Right click, Order

Double click

Not linked ticket order : « IfDone » multiple order

Pair	Bid	Ask	High	Low	Order
USD-CHF	1.2294	1.2298	1.2317	1.2266	
USD-JPY	113.81	113.85	113.95	113.44	
USD-CAD	1.1092	1.1097	1.1103	1.1070	

One leg order sample



Note: The time between the order being received by the trader and being accepted is normally a fraction of a second. A “being watched” order is an accepted (active) order.

Active orders display

Once an order enters the Active state, it is shown in the Active Orders panel of the Positions and Orders tabbed window.



Open position (ID 1)

Order linked to position 1

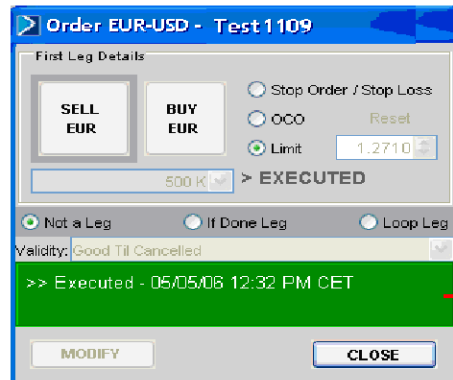
Not Linked order (Multiple in this case)

Open Positions & Active Orders							
<input type="checkbox"/> Aggregate positions							
ID	Pair	L/S	Amount	Open Price	Value Date	Net P&L	
1	EUR-USD	Long	500'000	1.268300	09/05/06	USD (100.00)	
Total in USD						(100.00)	

Active Orders							
Linked ID	Pair	B/S	Amount	Price	Validity	Type	
Not linked	USD-JPY	Sell	(250'000)	114.00	GTC	If Done	
1	EUR-USD	Sell	(500'000)	1.2705	GTC	Limit	

Maximum Margin USD 1'302'318 Available Margin USD 668'168
 Used Margin USD 634'150 Virtual Balance USD 26'046

When the specified price has been reached, the order is automatically executed and you are informed of this with the following message.



Order EUR-USD - Test 1109

First Leg Details

SELL EUR BUY EUR Stop Order / Stop Loss
 OCO Reset
 Limit 1.2710

500 K EXECUTED

Not a Leg If Done Leg Loop Leg

Validity: Good Till Cancelled

>> Executed - 05/05/06 12:32 PM CET

MODIFY CLOSE

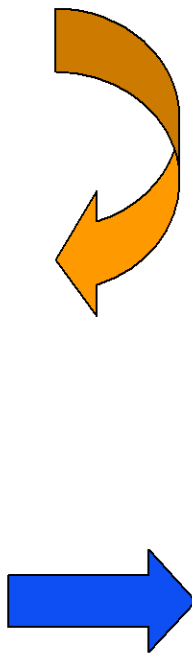
Once executed, the order is entered into the Today's Done Trades along with the Spot trades:

Open Positions & Active Orders								
<input type="checkbox"/> Aggregate positions								
Done Trades								
Pair	B/S	Amount	Price	Time /	Type	Value Date	P&L	
USD-JPY	Sell	(250'000)	114.00	12:34 PM CET	Limit	09/05/06	-	
EUR-USD	Sell	(500'000)	1.2710	12:32 PM CET	Limit	09/05/06	USD 1'350	
EUR-USD	Buy	500'000	1.2683	11:31 AM CET	Spot	09/05/06	-	
EUR-USD	Sell	(500'000)	1.2681	11:31 AM CET	Spot	09/05/06	USD (300)	
EUR-USD	Buy	500'000	1.2687	11:24 AM CET	Spot	09/05/06	-	
EUR-USD	Sell	(500'000)	1.2683	11:23 AM CET	Spot	09/05/06	USD (350)	
USD-JPY	Buy	250'000	113.88	11:03 AM CET	Spot	09/05/06	JPY (10'000)	
USD-JPY	Sell	(250'000)	113.84	11:03 AM CET	Spot	09/05/06	-	
EUR-USD	Buy	500'000	1.2690	10:41 AM CET	Spot	09/05/06	-	
Total in USD							612.23	

Two-legged order sample

Click on "IfDone" or "Loop" Order

Specify second leg conditions of execution



Multiple Orders Types

Order type	1 st leg	2 nd leg	2 nd leg Amount
If Done order	Limit or Stop	Limit	Open
		OCO	Open
		Stop	Open

When the specified price is reached for one leg of a two-leg order, that leg is automatically executed and the subsequent leg is automatically made active.

In the case of a Loop order, this will continue until the client explicitly cancels the order.