



ORDER TYPES

MARKET ORDER

The most common type of order is the Market Order. If you enter a Market Order, you state the number of contracts you want to buy or sell in a given contract month. You do not specify a price, since your objective is to have the order executed as soon as possible at the best possible price. Once a Market Order is placed it is filled and cannot be canceled.

LIMIT ORDER

A Limit Order specifies a price limit at which the order must be executed. In other words, it must be filled at that price or better. The advantage is that you know the worst price you will get if the order is executed. The disadvantage is that you cannot be certain that the order will be filled. The limit order is an order to buy or sell at a designated price. Limit Orders to buy are placed below the current market price while limit orders to sell are placed above the current market price. Since the market may never get high enough or low enough to trigger a limit order, a customer may miss the market if he uses a limit order. (Even though you may see the market touch a limit price several times, this does not guarantee or earn the customer a fill at that price. In most instances, the market must trade BETTER than the limit price for the customer to be guaranteed a fill.)

When buying, if the order price is **lower** than (below) the current market price, it is a **Buy Limit**.

As an example, with the market trading at 7800,

Buy 1 Dec DJIA 7700 on a Limit (or better...fill at 7700 or lower).

Order can only be filled at the stated price (7700) or lower (better).

When selling, if the order price is **higher** than (above) the current market price, it is a **Sell Limit**.

As an example, with the market trading at 7800,

Sell 1 Dec DJIA 7900 on a Limit (or better...fill at 7900 or higher).

Can only be filled at the stated price (7900) or higher (better).

OR BETTER

The pit broker is obligated to get the best possible price for the customer. Putting an OB on an order does not cause him to work harder. If the price is NOT OB, the broker is irritated because he is paying special attention to a ticket that does not deserve it. Think of OB as MARKET with a LIMIT. If the price does not have an OB next to it, and the market is considerably better, the pit broker may question the runner to see if the order should have been a stop. They will return the order for clarification which could delay the filling of the order and possibly change the results of the fill. ONLY USE "OR BETTER" IF THE CURRENT MARKET PRICE IS BETTER."

FILL OR KILL

A Fill or Kill order instructs the floor broker to buy or sell at your specified price and to immediately cancel the order if it is "unable" to be filled.



STOP ORDER

Stop Orders are not executed until the market reaches a given price, at which time they become Market Orders.

Stop orders can be used for three purposes:

- a. to minimize a loss on a long or short position,
- b. to protect a profit on an existing long or short position, or
- c. to initiate a new long or short position.

A buy stop order is placed above the current market price and a sell stop order is placed below the current market price. Once the stop price is touched, the order is treated like a market order and will be filled at the best possible price.

PLEASE NOTE; WHILE STOPS AND MIT'S ARE NORMALLY ELECTED ONLY WHEN THE SPECIFIC PRICE IS TOUCHED, THEY CAN BE ELECTED WHEN THE OPENING OF A MARKET IS SUCH THAT THE PRICE IS THROUGH THE STOP OR MIT LIMIT. IN THIS CASE, THE CUSTOMER CAN ROUTINELY EXPECT THE FILL TO BE MUCH WORSE THAN THE ORIGINAL STOP OR BETTER ON THE MIT. THIS APPLIES TO STOP ORDERS AND MIT ORDERS PLACED BEFORE THE OPENING OF TRADING.

When buying, if the order price is **higher** than (above) the current market price, it is a **Buy Stop**.

As an example, with the market trading at 7800,

Buy 1 Dec DJIA 7900 Stop.

Can only be filled at the Market, after the Market trades (or is "offered") at 7900 or higher.

When selling, if the order price is **lower** than (below) the current market price, it is a **Sell Stop**.

As an example, with the market trading at 7800,

Sell 1 Dec DJIA 7700 Stop.

Can only be filled at the Market, after the Market trades (or is "bid") at 7700 or lower.

STOP LIMIT ORDERS (SWL – STOP WITH LIMIT)

A stop limit order lists two prices and is an attempt to gain more control over the price at which your stop is filled. The first part of the order is written like the above stop order. The second part of the order specifies a limit price. This indicates that once your stop is triggered, you do not wish to be filled beyond the limit price. Stop limit orders should usually not be used when trying to exit a position, unless the limit price is placed far enough away. The limit price should be higher than the stop price on Buy orders and then limit price should be lower than the stop price on sell orders. If a customer does not give a limit price, then the stop price and the limit price are meant to be identical.

STOP CLOSE ONLY (SCO-STOP CLOSE ONLY)

The stop price on a stop close only will only be triggered if the market touches the stop during the close of trading. The disadvantage of this order is a fast market in the last few minutes of trading may cause the order to be filled at an undesirable price. It can, however, protect the customer from getting filled during adverse price fluctuations during the course of the day.



MARKET IF TOUCH ORDER (MIT)

Market If Touched. If the market trades at the trade price, the order will be filled at the next best price. Can only be used on Limit orders (not Stops). MITs are the opposite of stop orders. Buy MITs are placed below the market and Sell MITs are placed above the market. An MIT order is usually used to enter the market or initiate a trade. An MIT order is similar to a limit order in that a specific price is placed on the order. However, an MIT order becomes a market order once the limit price is touched or passed through. An execution may be at, above, or below the originally specified price. An MIT order will not be executed if the market fails to touch the MIT specified price.

GOOD TILL CANCEL ORDER (GTC)

Good Till Canceled (or Open Order). Used in conjunction with a Limit or Stop order. Order will remain valid and worked until client cancels order, or it is filled, or contract expires GTC Order Does Not Cancel Automatically!
As an example, you are long 1 Dec DJIA and have a GTC order to sell 1 Dec DJIA @ 7700 Stop. You decide to sell your 1 long Dec DJIA on a Market order. Your GTC order must be canceled...or you will sell (short) 1 Dec DJIA if the market trades (or is "bid") at 7700 or lower.

If an order is not designated Good Till Canceled, it is a Day Order and will expire at the end of the current trading session unless filled or canceled prior to the close.

ONE CANCELS OTHER ORDER (OCO)

One (order) Cancels (the) Other. This is a combination of two orders written on one order ticket. This instructs our floor personnel that once one side of the order is filled, the remaining side of the order should be cancelled. By placing both instructions on one order, rather than two separate tickets, the customer eliminates the possibility of a double fill. Both orders must be a Buy or both must be a Sell.

PLEASE NOTE: WE WILL NOT ROUTINELY ACCEPT CANCEL/REPLACE OF AN OCO ORDER WITHIN TO FIFTEEN MINUTES OF THE CLOSE OF TRADING. WE WILL ACCEPT CANCELING BOTH SIDES DURING THIS PERIOD AND REPLACING WITH EITHER MOC OR MARKET ORDERS, BUT CANNOT GUARANTEE AGAINST A DOUBLE FILL.

As an example, with the market trading at 7800 you want to buy at 7600 Limit (lower), or on an upside breakout at 7900 Stop (higher),
Buy 1 Dec DJIA 7600 on a Limit, OCO
Buy 1 Dec DJIA 7900 Stop.
Whichever order is executed first causes the other to be automatically canceled.

MARKET ON OPEN ORDER (MOO)

This is an order that the customer wishes to be executed during the opening range of trading at the best possible price obtainable within the opening range. Not all exchanges recognize this type of order. One such exchange is the Chicago Board of Trade. In online order placements platforms a normal MARKET (MKT) order will effectively act the same way if entered before the open.



MARKET ON CLOSE ORDER (MOC)

Market On Close. Order will be filled at Market within the closing price range. This is an order that will be filled during the final seconds of trading at whatever price is available.

PLEASE NOTE: A FLOOR BROKER RESERVES THE RIGHT TO REFUSE AN MOC ORDER UP TO FIFTEEN MINUTES BEFORE THE CLOSE DEPENDING UPON MARKET CONDITIONS.

SPREAD

The customer wishes to take a simultaneous long and short position in an attempt to profit via the price differential or "spread" between two prices. A spread can be established between different months of the same commodity, between related commodities or between the same or related commodities traded on two different exchanges. A spread order can be entered at the market or you can designate that you wish to be filled when the price difference between the commodities reaches a certain point (or premium).

For example: BUY 1 JUNE LIVE CATTLE, SELL 1 AUGUST LIVE CATTLE PLUS 100 TO THE AUGUST SELL SIDE. This means that the customer wants to initiate or liquidate the spread when August Cattle is 100 points higher than June cattle.

At this time, most exchanges do not report spread transactions on their quotation feeds. A spread broker has great leeway to ensure he can obtain prices required by limits. He cannot be held to any price differentials which seem to appear on quotation equipment!

ENTER and CANCEL ORDER (CANCEL REPLACE)

All orders, Except Market Orders, can be canceled and replaced with a different order unless filled prior to cancellation.

As an example, you are long 1 Dec DJIA and have a GTC order to sell 1 Dec DJIA @ 7700 Stop. With the market trading at 7800, you decide to sell your 1 long Dec DJIA on a Market order, Sell 1 Dec DJIA @ Market, Cancel selling 1 Dec DJIA 7700 Stop on GTC order No. 12345. If you are not sure how to enter an order, Ask Your Broker! Not all exchanges accept all types of orders (see section Exchange Orders).



EXCHANGE ORDERS

EXCHANGE	LIMIT	MARKET				STOP					
MARKET	ORDER	ORDER	MOC	FOC	STOP	LIMIT	SWL	SCO	SLCO	MIT	OCO
CME	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
CBOT	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No	No
COMEX	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	MOC
NYMEX	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
NYCE	Yes	Yes	Yes	Yes	Yes	Yes*	Yes	Yes	No	Yes	Yes*
CSCE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes*
NYFE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	MOC
KCBT	Yes	Yes	Yes	Yes	Yes	Yes	Yes*	Yes	Yes	Yes	Yes
MID-AM	Yes	Yes	Yes	Yes	Yes	No	No	Yes	No	No	Yes*
Legend: SWL=Stop With Limit / SLCO=Stop Limit Close Only * =Not Held / SCO=Stop Close Only											
FOC=Fill Or Kill / MIT=Market If Touched **No Meats / MOC=Market On Close / OCO=Order Cancels Order											
Information Obtained From Sources Believed To Be Reliable But Provided Without Warranty											