

## Bracket Orders

Bracket orders are designed to help limit your loss and lock in a profit by "bracketing" an order with two opposite-side orders. A BUY order is bracketed by a high-side sell limit order and a low-side sell stop order. A SELL order is bracketed by a high-side buy stop order and a low side buy limit order.

The order quantity for the high and low side bracket orders matches the original order quantity. By default, the bracket order is offset from the current price by 1.0. This offset amount can be changed on the order line for a specific order, or modified at the default level for an instrument, contract or strategy using the *Order Presets* feature in Global Configuration.

Products	Availability	Routing	TWS
CFDs <input checked="" type="checkbox"/>	US Products <input checked="" type="checkbox"/>	Smart <input checked="" type="checkbox"/>	Attribute <input type="checkbox"/>
Combos <input checked="" type="checkbox"/>	Non-US Products <input checked="" type="checkbox"/>	Directed <input checked="" type="checkbox"/>	Order Type <input type="checkbox"/>
EFPs <input checked="" type="checkbox"/>			Time in Force <input type="checkbox"/>
FOPs <input checked="" type="checkbox"/>			Attached Order <input checked="" type="checkbox"/>
Forex <input checked="" type="checkbox"/>			
Futures <input checked="" type="checkbox"/>			
Options <input checked="" type="checkbox"/>			
Stocks <input checked="" type="checkbox"/>			
Warrants <input checked="" type="checkbox"/>			

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## Example



### Order Type In Depth - Bracket Order

#### Step 1 Enter a Limit Buy Order

Bracket orders are an effective way to manage your risk and lock in a profit on an order that has yet to execute. In this example, you want to buy 100 shares of XYZ stock, which has a current Ask price of 30.00. You expect the price to fall to 25.00, then rise to 30.00. By attaching a bracket order, you do not have to return to reevaluate and manage the risk of a position if the Limit order to buy at 25.00 per share is executed.

Assumptions	
Action	BUY
Qty	100
Order Type	LMT
Market Price	30.00
Limit Price	25.00

You click the Ask price of XYZ stock to create a Buy order, then enter the quantity

and order type, then enter 25.00 as your Limit price. You do not transmit the order yet because you want to attach a Bracket order.



## Order Type In Depth - Bracket Order

### Step 2 Attach a Bracket Order

To attach a Bracket order to your Limit Buy order, right click the order row, then select **Attach > Bracket Order**. A Limit Sell and a Stop Sell order now bracket your original order. You enter 30.00 as the Limit price for the attached Limit Sell order, then you enter 20.00 in the Aux. Price field as the trigger price for the attached Stop Sell order. You transmit the order.

Assumptions	
Market Price	30.00
<b>Limit Buy Order</b>	
Action	BUY
Qty	100
Order Type	LMT
Limit Price	25.00
<b>Limit Sell Order</b>	
Action	SELL
Qty	100
Order Type	LMT
Limit Price	30.00
<b>Stop Sell Order</b>	
Action	SELL
Qty	100
Order Type	STP
Trigger Price	20.00



## Order Type In Depth - Bracket Order

### Step 3 Bracket Order Transmitted

You've transmitted your Bracket order. The diagram above illustrates the Market Price, the Limit Prices for your original Limit Buy order and the attached Limit Sell order and the Trigger Price for the attached Stop Sell order.

Assumptions	
Market Price	30.00
<b>Limit Buy Order</b>	
Action	BUY
Qty	100
Order Type	LMT
Limit Price	25.00
<b>Limit Sell Order</b>	
Action	SELL
Qty	100
Order Type	LMT
Limit Price	30.00
<b>Stop Sell Order</b>	

Action SELL  
Qty 100  
Order Type STP  
Trigger Price 20.00



## Order Type In Depth - Bracket Order

### Step 4 Market Price Falls, Original Limit Buy Order Fills

As you expected, the price of XYZ shares falls to 25.00, which is the Limit Price for your original Limit Buy order. The order for 100 shares fills at that price. Your two Sell orders now enter the market.

Assumptions  
Market Price 25.00  
**Limit Buy Order**  
Limit Price 25.00  
**Limit Sell Order**  
Action SELL  
Qty 100  
Order Type LMT  
Limit Price 30.00  
**Stop Sell Order**  
Action SELL  
Qty 100  
Order Type STP  
Trigger Price 20.00



## Order Type In Depth - Bracket Order

### Step 5A Market Price Rises, Limit Sell Order Fills

In one possible scenario, the price of XYZ rises to 30.00, which is the Limit Price of your attached Limit Sell order. The order fills at that price and you make \$500.00 profit. The other attached order, the Stop Sell order, is canceled.

Assumptions  
Market Price 30.00  
**Limit Buy Order**  
Filled at 25.00  
**Limit Sell Order**  
Limit Price 30.00  
Stop Sell Order is canceled



## Order Type In Depth - Bracket Order

### Step 5B Alternate Scenario: Market Price Falls, Stop Sell Order Fills

In an alternate scenario, the price of XYZ falls to 20.00, which is the Trigger Price of your attached Stop Sell order. A Market order executes at that price and you lose \$500.00. The other attached order, the Limit Sell order, is canceled.

Assumptions	
Market Price	20.00
<b>Limit Buy Order</b>	
Filled at	25.00
<b>Stop Sell Order</b>	
Trigger Price	20.00
Limit Sell Order is canceled	

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Any stock or option symbols displayed are for illustrative purposes only and are not intended to portray a recommendation.