

Conditional Orders

The conditions attached to a **Conditional** order state that the order will automatically be submitted OR cancelled only if specified criteria for one or more defined contracts are met.

Products	Availability	Routing	TWS
CFDs <input checked="" type="checkbox"/>	US Products <input checked="" type="checkbox"/>	Smart <input checked="" type="checkbox"/>	Attribute <input type="checkbox"/>
Futures <input checked="" type="checkbox"/>	Non-US Products <input checked="" type="checkbox"/>	Directed <input checked="" type="checkbox"/>	Order Type <input type="checkbox"/>
FOPs <input checked="" type="checkbox"/>			Time in Force <input type="checkbox"/>
Forex <input checked="" type="checkbox"/>			Order Ticket <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 - Conditional Buy Order

Step 1 Create a Limit Buy Order

The JAN11 490 XYZ call is currently trading at \$30.20 - 31.00. You want to buy 1 contract, but only if the Ask price of the underlying stock falls to 464.00 per share. You enter a Limit Buy order for 1 contract, then right-click the order line and select **Modify > Condition** from the menu.

Assumptions	
Action	BUY
Qty	1
Order Type	LMT
Market Price	30.20 - 31.00
Limit Price	30.95



Order Type In Depth - Conditional Buy Order

Step 2 Add Condition to the Order

On the Conditional tab in the Order Ticket, you add a new condition by clicking the **Add** button and following the steps shown above. You want to buy 1 contract if the price of the underlying stock falls to 464.00 per share so you select **Price** as the condition, then enter the underlying symbol, trigger method, operator and trigger price.

In this example, we are using the Default trigger method, which for US options is the double bid/ask method, where two consecutive ask price (bid price) values must be less than (greater than) or equal to the trigger price, and the second bid or ask must have greater size if it is at the same price level as the first bid or ask.

You click **Transmit** to submit the order.



Assumptions	
Action	BUY
Qty	1
Order Type	LMT
Market Price	30.20 - 31.00
Limit Price	30.95
Conditional Settings	
Condition	Price
Underlying	XYZ
Method	Default
Operator	<=
Price	464.00

Order Type In Depth - Conditional Buy Order

Step 3 Place Conditional Order for 1 XYZ Option Contract

You've transmitted your Conditional order. When the price of the underlying stock falls to 464.00 per share, your Limit order to buy 1 option contract will be submitted.



Assumptions	
Action	BUY
Qty	1
Order Type	LMT
Market Price	30.20 - 31.00
Limit Price	30.95
Conditional Settings	
Condition	Price
Underlying	XYZ
Method	Default
Operator	<=
Price	464.00

Order Type In Depth - Conditional Buy Order

Step 4 Market Price of Underlying Falls, Condition Satisfied

The market price of the underlying XYZ stock falls to 464.00, which is the trigger price for the condition. The condition having been satisfied, a Limit order for 1 XYZ option contract is submitted with a Limit price of 30.95.

Assumptions	
Action	BUY
Qty	1
Order Type	LMT
Market Price	30.20 - 31.00

Limit Price	30.95
Conditional Settings	
Condition	Price
Underlying	XYZ
Method	Default
Operator	<=
Price	464.00



Order Type In Depth - Conditional Buy Order

Step 5 Market Price of Option Contract Falls, Limit Order Filled

The market price of the underlying XYZ stock falls to 464.00, which is the trigger price for the condition. The condition having been satisfied, a Limit order for 1 XYZ option contract is submitted with a Limit price of 30.95.

Assumptions	
Action	BUY
Qty	1
Order Type	LMT
Market Price	30.95
Limit Price	30.95

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