

## Stop Orders

A Stop order is an instruction to submit a buy or sell market order if and when the user-specified stop trigger price is attained or penetrated. A Stop order is not guaranteed a specific execution price and may execute significantly away from its stop price. A Sell Stop order is always placed below the current market price and is typically used to limit a loss or protect a profit on a long stock position. A Buy Stop order is always placed above the current market price. It is typically used to limit a loss or help protect a profit on a short sale.

Interactive Brokers may simulate certain order types on its books and submit the order to the exchange when it becomes marketable. The IB website contains a page with exchange listings. The linked page for each exchange contains an expandable "Order Types" section, listing the order types submitted using that exchange's native order type and the order types that are simulated by IB for that exchange. See our [Exchange Listings](#) .

For stop orders simulated by IB, customers may use IB's default trigger methodology or configure their own customized trigger methodology. Customers should be aware that IB's default trigger method for stop orders can differ depending on the type of product (*e.g., stocks, options, futures, etc.*).

To modify the trigger method for a specific stop order, customers can access the "Trigger Method" field in the order preset. Customers may also modify the default trigger method for all Stop orders by selecting the "Edit" menu item on their Trade Workstation trading screen and then selecting the "Trigger Method" dropdown list from the TWS Global Configuration menu item. For more information on modifying the trigger method, as well as a detailed description of the default trigger method for each product type, please see the TWS User's Guide section entitled "Modify the Stop Trigger Method" located [here](#).

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 checked="" type="checkbox"/>
EFPs <input checked="" type="checkbox"/>			Time in Force <input type="checkbox"/>
Forex <input checked="" type="checkbox"/>			
Futures <input checked="" type="checkbox"/>			
FOPs <input checked="" type="checkbox"/>			
Options <input checked="" type="checkbox"/>			
Stocks <input checked="" type="checkbox"/>			
Warrants <input checked="" type="checkbox"/>			

View Supported Exchanges
Open Users' Guide

### Note:

The Reference Table at the top of the page provides a general summary of the order type characteristics. The checked features are applicable in some combination, but do not necessarily work in conjunction with all other checked features. For example, if Options and Stocks, US and Non-US, and Smart and Directed are all checked, it does not follow that all US and Non-US Smart and direct-routed stocks support the order type. It may be the case that only Smart-routed US Stocks, direct-routed Non-US stocks and Smart-routed US Options are supported.

## Example



### Order Type In Depth - Stop Sell Order

#### Step 1 Enter a Stop Sell Order

You're long 500 shares of XYZ stock at an Average Price of 14.96 (your entry price). You want to sell those 500 shares but you want to limit your loss to \$250.00, so you create a Stop order with a Stop Price of 14.46. If the price of XYZ falls to 14.46, a market order to sell 500 shares will be triggered at that price.

Assumptions	
Avg Price	14.96
Action	SELL
Qty	500
Order Type	STP
Market Price	14.93
Stop Price	14.46



### Order Type In Depth - Stop Sell Order

#### Step 2 Order Transmitted, Market Price Begins to Fall

The price of XYZ begins to fall from 14.93. If it touches your Stop Price of 14.46, a market order to sell 500 shares will be submitted.

Assumptions	
Avg Price	14.96
Qty	500
Order Type	STP
Market Price	14.93 and falling
Stop Price	14.46



### Order Type In Depth - Stop Sell Order

#### Step 3 Market Price Falls to Stop Price, Order Filled

The price of XYZ continues to fall and touches your Stop Price of 14.46. A market order to sell 500 shares is immediately submitted and filled at 14.46 per share. By using a Stop Sell order, you have limited your loss to \$250.00.

Assumptions	
Avg Price	14.96
Qty	500
Order Type	STP
Market Price	14.46
Stop Price	14.46

**Notes:**

IB may simulate stop orders with the following default triggers:

- Sell Simulated Stop Orders become [market orders](#) when the last traded price is less than or equal to the stop price.
- Buy Simulated Stop Orders become [market orders](#) when the last traded price is greater than or equal to the stop price.

IB may simulate market orders on exchanges. For details on market order handling using simulated orders, click [here](#).

Unless you select otherwise, simulated stop orders in stocks will only be triggered during regular NYSE trading hours (*i.e.*, 9:30 a.m. to 4 p.m. EST, Monday to Friday). IB's default trigger methodology also contains additional conditions which can vary depending on the type of product traded. For a detailed description of IB's trigger methodology, including information on how to modify the default trigger methodology, see the [Trigger Method](#) topic in the TWS User's Guide.

With the exception of single stock futures, simulated stop orders in U.S. futures contracts will only be triggered during regular NYSE trading hours unless you select otherwise.

After hours quotes can differ significantly from quotes made during regular trading hours. Stop orders configured to trigger outside of regular NYSE trading hours with a trigger method set to Bid/Ask may trigger in illiquid markets and/or on quotes with wide bid/ask spreads.

Native stop orders sent to IDEM are only filled up to the quantity available at the exchange. Any unfilled stop order quantity will be cancelled.

For special notes and details on U.S. futures stop and stop limit orders, [click here](#).

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