



CGSI ViewPoint Contingent Orders

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Contingent Orders (CO) Overview

There are two main types of orders available on your trading platform:

- Market orders
- Contingent orders Market orders are orders created and sent to the market ready to trade. Contingent orders sit 'outside' the market, and are used to create market orders when certain defined conditions are met.

Contingent Order conditions

The conditions of a contingent order are typically based on the market price of a security. In the case of IF DONE contingent orders they can also be contingent on whether a market order trades.

Contingent orders are used to:

- Create market orders when the price of a security reaches a pre-defined level
- Pre-set stops and targets for market orders at the time of placing a market order
- Manage open positions (for example by using a trailing stop with a trailing contingent order)

In their simplest form, (Regular / FIXED Contingent Order) the price is the condition to trigger the fixed contingent order and create a market order.

Contingent order types

The following contingent order strategies are available:

- Regular / Fixed Contingent order (Fixed CO)
- One Cancels Other (OCO)
- Trailing Contingent Order (Trailing CO)
- If Done Contingent Order (If Done CO)

Regular \ Fixed Contingent Order

Regular / FIXED COs let you set a price level for a specific security (contingent security) and provide the details of a market order (security, price, price instruction etc.) that you would like created should the price condition specified be met.

The FIXED CO triggers when the contingent security price level criteria are met and creates a market order based on the details you provided.

FIXED COs provides a strategy to:

- Open a position when price of a security reaches a pre-defined level
- Create a stop or limit, where a market order is created to close an open position when a security's price reaches a certain level.

FIXED COs are used as basic building blocks for more complex contingent orders such as One Cancels Other and If Done contingent orders.

Scenario: Regular \ FIXED CO

Strategy:

Buy 100 BHP Billiton (BHP.ASX) (open a long position) if the price the security trades at is 2365 (cents) or higher.

Actions:

Create a FIXED CO with strategy or trigger set for when the price of BHP Billiton (BHP.ASX) is greater than or equal to 2365 (cents).

Result:

A market order is sent, if the FIXED CO is triggered, to buy 100 BHP Billiton (BHP.ASX).

Example Order Entry showing details for a Regular / FIXED CO strategy

Account Shared Cash EQUITY

Trading Information

Available balance -

Summary

If last price of BHP Billiton Limited (BHP.ASX) >= 23.65 AUD

Buy 100 BHP Billiton Limited (BHP.ASX) @ 23.65 AUD (Limit)

Total Value **2,365 AUD**

Lifetime End of Day

Settlement Currency AUD

BHP.ASX 2362.5 (8.5)

BHP Billiton Limited 0.36%

2362 13,020
2363 609

Condition strategy:

None
Regular
Trailing
OCO

If the following condition is met:

Price Base Bid Ask **Last**

Condition < < > >=

Price 2365 Price

[Clear](#)

Place the following order:

Buy
Sell

Buy by Volume Value

Volume 100

Order Type Limit

Limit Price (AUD) 2365

Lifetime End of Day

[Clear](#)

Protect against losses

Hide Details

Place Buy Order

Regular / FIXED CO strategy details →

Order details for the CO →

Trailing Contingent Order

The trigger price of a trailing contingent order changes to follow, or trail, the price of a security as the market moves in favor of a position you have opened. This strategy could also be used to take advantage of a reverse in market trend to open a new position.

Trailing COs can recalculate the trigger price upwards in the case of a trailing stop loss on an open bought (long position), or downwards in the case of trailing stop loss on an open sold (short) position.

The trigger price of a trailing CO only moves in one direction, which is it will follow price as it moves in favour of an open position, but will remain set if price moves against a position.

Stop loss

Trailing COs are typically used to apply a trailing stop loss.

For example, for a buy (long) position, when the security's price rises to a certain level and then begins to fall, the trigger price level of the trailing stop will rise with price, but remain unchanged as price falls. If market price continues to fall and reaches or falls below the calculated trigger price, a market sell order is created to close the open long position.

Trailing stops can also be used for open short positions, where a trailing CO recalculates the trigger price downwards, and creates a market buy order if triggered, to close an open short position.

The market order should be set as price type Market or similar, to create an order at the current market price at the time the contingent order is triggered.

Scenario: Trailing CO

Strategy:

Place a trailing stop loss on a current 100 BHP Billiton (BHP.ASX) long position, 10 points below current price.

Actions:

Create a trailing CO with the strategy, or trigger, set to trail or follow the market price of BHP Billiton (BHP.ASX) with a trailing offset of 10 points below.

Result:

If the CO is triggered, a Market order is sent to sell (close the long position) at the current market price.

Example Order Entry showing details for a points based Trailing CO strategy

Account: Shared Cash EQUITY
✕

Trading Information

Available balance -

| | |
|---|---|
| BHP.ASX | 2367 (0) |
| BHP Billiton Limited 0% | |
| 2416 <small>432</small> | 2200 <small>4,570</small> |

▶ **Summary**

If last price of BHP Billiton Limited (BHP.ASX) decreases by **10 points**

Sell 100 BHP Billiton Limited (BHP.ASX) @ (Market)

Estimated Total Value 2,190 AUD

▶ **Condition strategy:**

None
Regular
Trailing
OCO

If the following condition is met:

Direction Above Below

Points 10 ↕ Points ▼

[Clear](#)

▶ **Place the following order:**

Buy
Sell

Sell by Volume Value

Volume 100 ↕

Order Type Market ▼

Lifetime End of Day ▼

Short Sell? Yes No

[Clear](#)

▼ **Protect against losses**

▼ **Protect your profit**

▶ **Hide Details**

Place Sell Order

One Cancels Other (OCO) Contingent Order

A One Cancels Other (OCO) order uses two contingent orders with different trigger conditions. The contingent orders that an OCO uses can be either a Regular \ FIXED CO or a Trailing CO.

FIXED COs can be used as set profit taking orders or stop loss orders, and Trailing COs are often used to provide a trailing stop.

When either contingent order triggers, the other contingent order is automatically canceled. OCO orders can be used for the strategy of creating both a profit target and a stop when a market order is placed.

Scenario: OCO

Strategy:

You bought 100 BHP Billiton (BHP.ASX) at the price of 2365 cents. (A market order has traded and you have an open long position) Your strategy is to buy BHP Billiton (BHP.ASX) at this price, expecting that the security's price will rise.

If the price of BHP Billiton (BHP.ASX) falls to 2325 cents you want to close or cover the position to prevent further losses. You may choose to use a market type price instruction when leaving a stop loss in case the market trades through your stop level to ensure you don't miss the market.

If the price of BHP Billiton (BHP.ASX) rises to 2410 cents, you want to close the position in profit.

When either of the stop loss or take profit conditions is met then the other order will be automatically canceled.

Action:

To execute this strategy you need a stop loss order at 2325 cents, and a take profit order at 2410 cents.

Set the stop loss order

The first contingent order is set as a stop loss order using a Regular \ FIXED CO.

- The trigger condition or strategy is that the security price of BHP Billiton (BHP.ASX) trades less than or equal to 2325 cents.
- The market order to be sent if the CO is triggered is to sell 100 BHP Billiton (BHP.ASX) at 2322 cents to close out the long position.

Example Order Entry showing details for stop loss (Order 1)

Account
Shared Cash EQUITY
✕

Trading Information

Available balance -

▶ **Summary**

Order 1
 If last price of BHP Billiton Limited (BHP.ASX) <= 23.25 AUD
 Sell 100 BHP Billiton Limited (BHP.ASX) @ 23.22 AUD (Limit)
 Total Value 2,322 AUD

Order 2
 If last price of BHP Billiton Limited (BHP.ASX) >= 24.1 AUD
 Sell 100 BHP Billiton Limited (BHP.ASX) @ 24.12 AUD (Limit)
 Total Value 2,412 AUD

BHP.ASX 2362 (8)
 BHP Billiton Limited 0.34%

2571 47,495
2174 610

▶ **Order 1:**

If the following condition is met:

Regular
Trailing

Price Base Bid Ask Last

Condition ← < > →

Price 2325 Price

[Clear](#)

▼ **Order 2:**

▶ **Place the following order:**

Buy
Sell

Sell by Volume Value

Volume 100

Order Type Limit

Limit Price (AUD) 2322

Lifetime End of Day

Short Sell? Yes No

[Clear](#)

▶ **Hide Details**

Place Sell Order

Order 1 details for the stop loss

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Account Shared Cash EQUITY

Trading Information

Available balance -

Summary

Order 1
If last price of BHP Billiton Limited (BHP.ASX) <= 23.25 AUD
Sell 100 BHP Billiton Limited (BHP.ASX) @ 23.22 AUD (Limit)
Total Value 2,322 AUD

Order 2
If last price of BHP Billiton Limited (BHP.ASX) >= 24.1 AUD
Sell 100 BHP Billiton Limited (BHP.ASX) @ 24.12 AUD (Limit)
Total Value 2,412 AUD

Order 2 details for take profit

Order 2:
If the following condition is met:
Regular Trailing
Price Base Bid Ask Last
Condition < < > >=
Price 2410 Price
Clear

Place the following order:
Buy Sell
Sell by Volume Value
Volume 100
Order Type Limit
Limit Price (AUD) 2412
Lifetime End of Day
Short Sell? Yes No
Hide Details
Place Sell Order

Set the Take Profit order

The second contingent order is set as a profit target order using a Regular / FIXED CO.

- The trigger condition or strategy is that the security price of BHP Billiton (BHP.ASX) trades greater than or equal to 2410 cents.
- The limit order to be sent if the CO is triggered is to sell, or close out the long position at 2412.

Example Order Entry showing details for take profit (Order 2)

IF DONE Contingent Order

IF DONE COs are placed as part of a market order and depend on the market order trading. When the market order partially or fully trades, the contingent orders become active.

IF DONE COs enables strategies such as applying stops and/or profit targets to a market order at the time of market order creation.

An IF DONE CO can be configured using a combination of Regular \ Fixed, Trailing and OCO orders.

Scenario: IF DONE Order

Using the strategies outlined in the previous examples:

- The strategy is to buy 100 BHP Billiton (BHP.ASX) at 2365 if it rises to this price.
- A trailing stop loss is to be set 10 points below the current price.
- Profit to be taken at 2410

The complete IF DONE contingent order contains:

- A FIXED Co, to trigger the initial market order
- A One Cancels Other (OCO order) containing
 - a trailing stop (Trailing CO)
 - a Profit target (FIXED CO)

Example Order Entry showing the details for Regular / FIXED CO buy order

Account DEMO EQUITY A/C

Trading Information

Available balance -

Summary

If last price of BHP Billiton Limited (BHP.ASX) >= **23.65 AUD**

Buy 100 BHP Billiton Limited (BHP.ASX) @ (Market)
Estimated Total Value **2,365 AUD**

Stop loss

Trailing BHP Billiton Limited (BHP.ASX) last price decreases by **10 points**

SELL 100 BHP Billiton Limited (BHP.ASX) @ **23.22 AUD** (Limit) Minimum loss **10 AUD**

Take profit

When last price of BHP Billiton Limited (BHP.ASX) >= **24.1 AUD**

SELL 100 BHP Billiton Limited (BHP.ASX) @ **24.1 AUD** (Limit) Minimum profit **44 AUD**

BHP.ASX 2367 (13)

BHP Billiton Limited 0.55%

2366 26,117
2367 5,114

Condition strategy:

None
Regular
Trailing
OCO

If the following condition is met:

Price Base Bid Ask Last

Condition <= < > >=

Price 2365 Price v

[Clear](#)

Place the following order:

Buy
Sell

Buy by Volume Value

Volume 100 v

Order Type Market v

Lifetime End of Day v

[Clear](#)

Protect against losses :

Stop Loss Strategy None Regular Trailing

Hide Details

Place Buy Order

Regular / FIXED CO buy order →

Example Order Entry showing the details for stop loss and take profit strategy

Account DEMO EQUITY A/C

Trading Information

Available balance -

BHP.ASX 2367 (13)

BHP Billiton Limited 0.55%

2366 26,117
2367 5,114

Summary

If last price of BHP Billiton Limited (BHP.ASX) \geq **23.65 AUD**

Buy 100 BHP Billiton Limited (BHP.ASX) @ (Market)
Estimated Total Value **2,365 AUD**

Stop loss
Trailing BHP Billiton Limited (BHP.ASX) last price decreases by **10 points**
SELL 100 BHP Billiton Limited (BHP.ASX) @ 23.22 AUD (Limit) Minimum loss 10 AUD

Take profit
When last price of BHP Billiton Limited (BHP.ASX) \geq **24.1 AUD**
SELL 100 BHP Billiton Limited (BHP.ASX) @ 24.1 AUD (Limit) Minimum profit 44 AUD

Protect against losses :

Stop Loss Strategy None Regular Trailing

Points Points

Volume

Order Type Limit

Limit Price (AUD)

Lifetime End of Day

[Clear](#) [Hide](#)

Protect your profit :

Take Profit Strategy None Regular

Price Price

Volume

Order Type Limit

Limit Price (AUD)

Lifetime End of Day

Hide Details

Place Buy Order

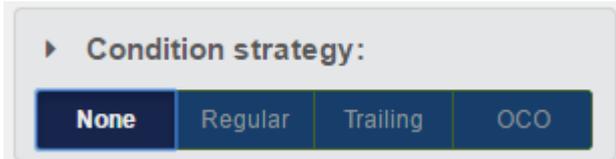
Trailing CO strategy for stop loss

Regular / FIXED CO strategy for take profit

Creating Contingent Orders

Contingent orders are created using Order Entry and selecting the various condition strategies and protection options.

Condition Strategy



► Condition strategy:

None Regular Trailing OCO

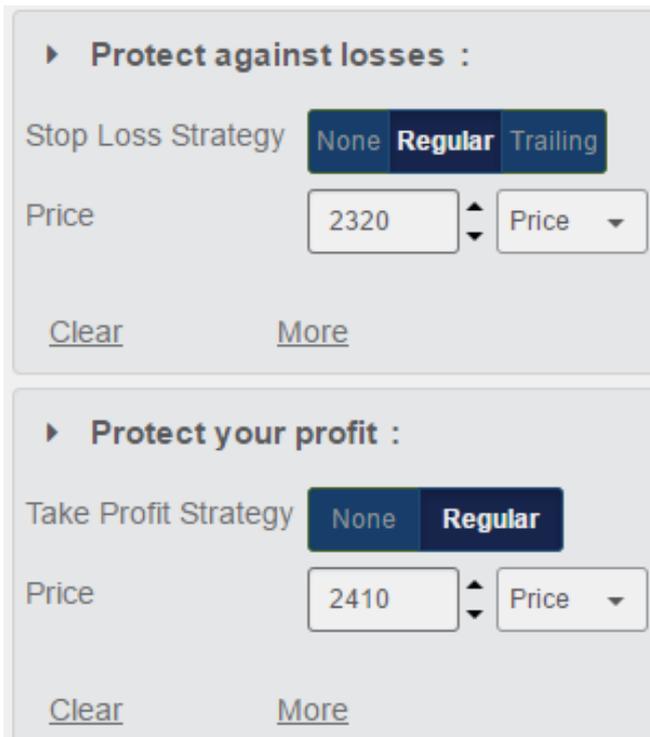
There are four options within strategy section of the Order Entry

- None – Used to create standard non-contingent orders
- Regular – Used to create Regular / FIXED COs
- Trailing – Used to create Trailing COs
- OCO – Used to create One Cancels Other (OCO) COs

Protection Options

There are two protection options

- Protect against losses
- Protect profit



► Protect against losses :

Stop Loss Strategy None Regular Trailing

Price 2320 Price

[Clear](#) [More](#)

► Protect your profit :

Take Profit Strategy None Regular

Price 2410 Price

[Clear](#) [More](#)

The Order Pad

The Order Pad provides the option to list all orders, including contingent orders, created for an account.

- The 'Order' tab provides a list of all created orders.
- The 'Contingency' tab provides details on the contingent strategy for each contingent order.

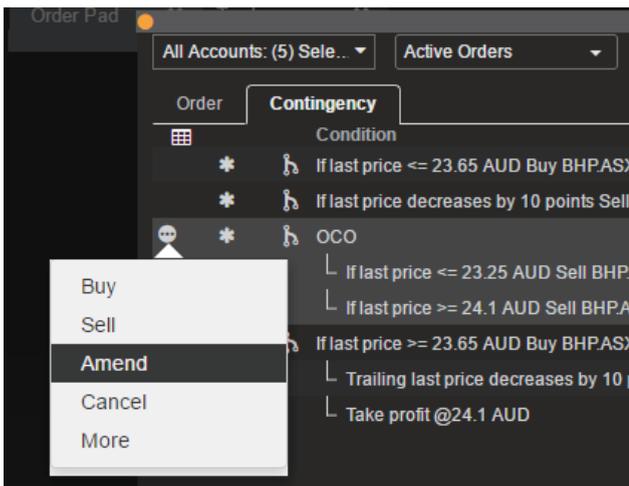


| Order | Contingency | Status | Buy or Sell | Code | Security Description | Order Price | Order Volume | Order Value | Order Type | Destination |
|-------|--|-----------|-------------|--------|----------------------|-------------|--------------|-------------|------------|-------------|
| * | If last price <= 23.65 AUD Buy BHPASX | Triggered | BUY | BHPASX | BHP Billiton Limited | 2365 | 100 | 2,365 | Limit | FIXED CO |
| * | If last price decreases by 10 points Sell BHPASX | Activated | SELL | BHPASX | BHP Billiton Limited | 0 | 10 | - | Market | TRAILING CO |
| * | OCO | Created | SELL | BHPASX | BHP Billiton Limited | - | - | - | - | OCO |
| | └ If last price <= 23.25 AUD Sell BHPASX | Activated | SELL | BHPASX | BHP Billiton Limited | 2322 | 100 | 2,322 | Limit | FIXED CO |
| | └ If last price >= 24.1 AUD Sell BHPASX | Activated | SELL | BHPASX | BHP Billiton Limited | 2412 | 100 | 2,412 | Limit | FIXED CO |
| * | If last price >= 23.65 AUD Buy BHPASX | Created | BUY | BHPASX | BHP Billiton Limited | 0 | 100 | - | Market | FIXED CO |
| | └ Trailing last price decreases by 10 points | Inactive | SELL | BHPASX | BHP Billiton Limited | 2322 | 100 | 2,322 | Limit | TRAILING CO |
| | └ Take profit @24.1 AUD | Inactive | SELL | BHPASX | BHP Billiton Limited | 2410 | 100 | 2,410 | Limit | FIXED CO |

Use the filters in the toolbar to set the contingent orders you want to view. You can filter by:

- Account
- the historical period you want to view information for based on the predefined periods in the drop down
- the status of market orders associated with contingent orders.

Using the inline action you can Amend and Cancel the order



Further information

The online help for your trading platform contains detailed information about contingent orders.

You access the help from the Application menu  displayed as the rightmost option in the menu bar of your trading platform.

1. Click the Application menu.
2. Click Help Centre. A new browser window opens with the help displayed.
3. Select Contents to view a list of help subjects.
4. Click Topic Help to expand the detailed help topic subjects, and then click Trading, followed by Working with Orders, and then Create Orders to view instructional topics about contingent orders.