

## What is a Bracket Order ?

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 lower-side sell stop order. A SELL order is bracketed by a higher-side buy stop order and a lower side buy limit order.

The system will simultaneously place three orders: a limit buy order (1st leg), a corresponding stop loss market order which would only get triggered at the specified stop loss trigger price (2nd leg), and a corresponding limit sell order with profit objective in mind will get triggered at the specified price point (3rd leg).

If the stop loss trigger price is hit, the stop loss order gets executed as a market order and the 3rd leg will get cancelled automatically.

Similarly, if the limit sell order with profit objective gets hit, the stop loss automatically gets cancelled. This kind of order is also called OCO orders ie one cancels another.

## Trailing Stoploss feature

When you place a bracket order in nest trader you get an option to either place a fixed stoploss order, or also an ability to trail your stoploss. What this would mean is that if the contract/stock moves in your direction by a particular number of ticks, the stop loss will go up/down based on if you are long or short automatically.

## Difference between Absolute and Tick for Bracket Order

When typing in a bracket order, the system lets you specify the Stop Loss and the Take Profit order in either in absolute or tick. So let us understand what is the exact difference between absolute and tick.

## *Absolute*

Absolute stand for the actual point difference, nifty from 5000 to 5050 is absolute difference of 50 points. Suppose you have traded nifty at 5000 and you have entered 50 in the square off target, so in that case your square order will be placed at 5050 .50 absolute points from 5000.

## *Ticks*

The bare minimum upward or downward movement in the price of a security is known as tick. One tick is equal to 5 paise (1 tick = .05 rupee), (100 ticks= 5 point) and 1000 tick will 50 points.

One have to place stop loss either selecting absolute or tick. Suppose you want to place a 50 point stop loss, so if you are clicking absolute you have to enter 50. and if you are selecting tick for 50 you have to type in 1000 ticks.

## Placing a Bracket Order in TRADEJINI NEST TRADER

You can trade bracket in the following three ways:

1. Right-clicking on a scrip in Market Watch → Selecting Bracket Order → Buy/Sell Bracket Order.
2. Click on the Orders and Trades menu → Select Bracket Order → Buy/Sell Bracket Order.
3. Using the shortcut key

Shift+F3 for buy

Shift+F4 for sell.

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S&P CNX Nifty 8758.05(1.30) SENSEX 28873.39(28.61)

INT BSE BRD PCA Order Entry...

Normal NSE EQ ABAN Normal ABAN OFFSHO

Trading Symbol	Price At...	Bid Qty	Bid ...	Ask Rate	Ask...	LTP	% Cha...	ATP	Volume Traded...	Int...	Open	H...	Low	Prev Close
NIFTY15MARFUT		25	8706.40	8707.75	175	87...	0.15	87...	5469125		878...	88...	875...	8784.85
BANKNIFTY15MARFUT				7.70	100	19...	0.28	19...	1731200		192...	19...	191...	19259.50
ABAN-EQ				4.35	138	49...	0.38	49...	799296		496...	50...	492.50	492.45
USDINR15MAR63.5CE				400	143	0.1...	16.67	0.1...	51223		0.1...	0...	0.1350	0.1200
USDINR15MAR63CE				925	5	0.2...	14.71	0.3...	69179		0.3...	0...	0.2850	0.2550
USDINR15MARFUT				200	492	62...	0.14	63...	754425		63....	63...	62.9...	62.8325
S&P50015MARFUT				3.50	1750	20...	0.28	20...	11500		207...	20...	207...	2067.25
CRUDEOIL15MARFUT				4.00	2	31...	-0.60	31...	13150		316...	31...	314...	3163.00

- Start
- Buy Order Entry F1
- Sell Order Entry F2
- Dual Depth Shift+F6
- Order Book F3
- Trade Book F8
- Act on Call
- Tools
- Dialog Bars
- Cover Order
- Bracket Order
  - Buy Bracket Order Entry Shift+F3
  - Sell Bracket Order Entry Shift+F4
- Option Greeks
- Add Normal Basket Ctrl+B
- Set Security Alert
- Tile Windows Horizontally
- Tile Windows Vertically
- Gridlines Shift+G
- Write to Excel Shift+E
- Link To Excel
- Copy To Clip Board Ctrl+C
- Customize Ctrl+Shift+C
- Refresh MarketWatch Scrips
- Subscribe For This Group
- Subscribe on Check
- Add My Holdings
- Plugin Commands

NIFTY15MARFUT	175	8720.10	8721.00	300	8720.05	-0.74	8772.31	8947050	8785.05	8815.20	8716.10	8784.85
BANKNIFTY15MARFUT	25	19035.00	19039.85	25	19037.95	-1.15	19240.72	2789350	19275.15	19394.00	19025.50	19259.50

Place the limit buy order at 19000

The target sell or square off sell is place at 1000 ticks means 50 points.so the target for buy bank nifty will be 19050.

Buy Bracket Order Entry - AA0011( 3.11.1 )

Exhg-Seg	OrderType	Pro/Cl	Inst Name	Symbol	Type	Strike Price	Expiry Date
NFO	LIMIT	CLI	FUTIDX	BANKNIFTY	XX	-0.01	26Mar2015
Qty	Price ()	Disc Qty	Validity	Client Id	Client Name	Participant code	Remarks
25	19000	0	DAY	AA0011	AMARESHWARI RA		

SqrOff Sell:  LTP  Absolute  ATP Ticks: 1000

StopLoss Sell:  TrailingStopLoss  LTP  Absolute  ATP Ticks: 200 Trailing Ticks: 100

Submit

We have entered 200 ticks stoploss which is ten points below 19000 at 18990. It has trailing of 100 ticks or 5 points.Everytime bank nifty goes up by 5 points the stoploss will be trailed by 5 points.

NIFTY15MARFUT	25	8772.55	8773.40	250	8772.00	-0.15	8785.51	6313300	8785.05	8815.20	8756.25	8784.85
BANKNIFTY15MARFUT	25	19230.25	19237.50	25	19237.70	-0.11	19290.41	1968925	19275.15	19394.00	19155.00	19259.50

Placing a limit buy order at 19200

The target sell or square off sell is placed for 50 points ,ie 19200+50=19250

Buy Bracket Order Entry - AA0011( 3.11.1 )

Exhg-Seg	OrderType	Pro/Cl	Inst Name	Symbol	Type	Strike Price	Expiry Date
NFO	LIMIT	CLI	FUTIDX	BANKNIFTY	XX	-0.01	26Mar2015
Qty	Price ()	Disc Qty	Validity	Client Id	Client Name	Participant code	Remarks
25	19200	0	DAY	AA0011	AMARESHWARI RA		

SqrOff Sell:  LTP  Absolute  ATP Ticks: 50

StopLoss Sell:  TrailingStopLoss  LTP  Absolute  ATP Ticks: 10 Trailing Ticks: 5

Submit

We have put absolute stoploss of 10 points which will be placed at19190,10 points below the limit buying.It has trailing of 5 which means everytime banknifty goes up by 5 points the stoploss is also trailed by 5 points

### **Modifying a Bracket Order**

One can only modify the limit price if the order is not completely executed, however if it is completely executed one can only modify trigger for profit booking and also the stoploss.

### **Exiting a Bracket Order**

One can only exit a bracket order it cannot be cancelled normal orders, we can exit bracket orders clicking the exit button from the orderbook. Suppose the first leg of the order is not traded and you press exit, then it will cancel the first leg order. If the first order was traded, then the system will modify the Square Off order from Limit to Market and cancel the Stop Loss order.

All Bracket orders in the system will be automatically squared around 3.15

## **Margin Requirement**

Bracket Order as a product gives you leverage of almost 40 to 50 times, such a high leverage is possible as the trader is required to place a compulsory stop loss with every trade. The margin required for this kind of orders are very low around 1.5% to 2.5%. Smaller stop loss requires less margin, whereas margin goes up with higher stoploss but within the specified range.

Placing Bracket Order is allowed for NSE (Equity F&O & CDS).

## Covered Orders

### Cover Order – Meaning

Cover order is like any other market order but placed with a compulsory stop loss. The initial order whether a buy or sell is always a market order. Its very useful for intraday trader because of the higher intraday leverage along risk management thanks to compulsory stop loss.

As stop loss is mandatory for the trade the risk taken reduces and thanks to reduced risk the margin required to trade also reduces. All cover orders in the system will be automatically squared around 3.15 so as said earlier it's a good tool from intraday trader perspective.

Placing Cover Orders is allowed for NSE (Equity & F&O).

## How does a covered order work?

Cover orders are two legged orders ,the buy/sell order goes to exchange with a compulsory stop loss order .The initial buy/sell order has to be a market order the compulsory stop loss order will be three as a pending order in the order book until triggered, once triggered it will be executed as a market order. There is max stop loss % that can be placed; anyone placing a covered order has to adhere to that range. For Tradejini the max percent is 1.5% so stoploss need to be place within 1.5% of the buy/sell order price. For example suppose a stock is trading at 100 then the stop loss range will be between Rs 98.50 to Rs 101.50 as the trigger price. One can always modify the stop loss but within the price range. The margin for the position will be recalculated once the order is modified.

A Cover Order is basically a two legged order. The client needs to place a buy/sell order

## How to place Cover Orders

To place a Cover Order, click on the contract and click Shift + F1 for placing a buy Covered order or Shift + F2 for placing a sell Covered order. You can also place Cover Order from the “Orders and Trades” menu on Tradejini nest trader.

Welcome To NEST Trader Investor ( 3.11.2 ). Tradejini Financial Services Pvt Ltd --ALL--10-Mar-2015 11:57:24 - [NewTab1]

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Order Entry  
Basket Orders  
After Market Orders  
Cover Order Entry  
Bracket Order Entry  
Spread Order Ctrl+Shift+F1

Buy Cover Order Entry Shift+F1  
Sell Cover Order Entry Shift+F2

To place a Cover Order, click on the contract and click Shift + F1 for placing a buy Covered order or Shift + F2 for placing a sell Covered order. You can also place Cover Order from the "Orders and Trades" menu on tradejini nest trader.

Trading Sym	Trade/Partial Position Conversion Query	Ask Rate	Ask...	LTP	% C	Prev Close
BANKNIFTY1		19314.00	25	19...	0.20 19...	19259.50
NIFTY15MARFUT	1050 8791.25	8791.40	75	87...	0.07 87...	8784.85
S&P50015MARFUT	3000 2073.00	2074.00	1750	20...	0.28 20...	2067.25
CRUDEOIL15MARFUT	54 3153.00	3154.00	76	31...	-0.28 31...	3163.00

The initial first leg order (buy/sell) will be a market order. In this example its a cover market order.

With every order a trigger price range will be given based on the max percentage. in this example the range is 8659 -8791 as the max percent is 1.50 for nifty. we also have to enter a trigger price which is 8660.15, so if nifty comes down to 8660.15 it will be squared off.

Buy Cover Order Entry - AA0011( 3.11.2 )

Buy Market Order

Exhg-Seg	Pro/Cli	Inst Name	Symbol	Type	Strike Price	Expiry Date
NFO	CLI	FUTIDX	NIFTY	XX	-0.01	26Mar2015

Qty	Disc Qty	Client Id	Client Name	Participant code	Remarks
25	0				

Stop Loss Market Sell

Trigger Price Range	Perc max	Tr. Price
8659.55-8791.40	1.50	8660.15

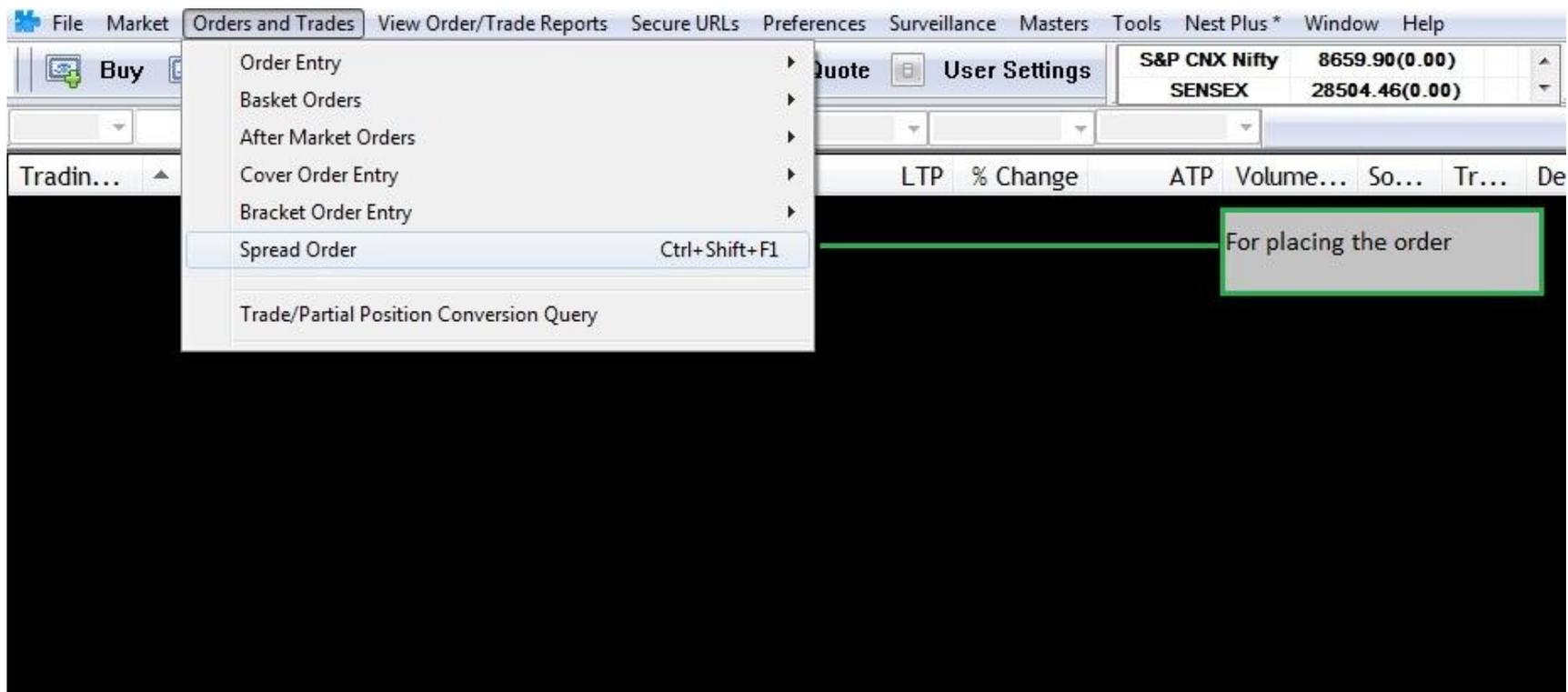
Submit

## Spread orders

A spread order is a combination of individual orders (legs) that work together to create a single trading strategy. Spread types include futures spreads, and combinations of option/option, option/stock and stock/stock on the same or multiple underlyings.

So lets find out how it is done through tradejini nest trader.

Spread Order (shortcut key): Ctrl+ Shift + F1



After clicking the Spread Order the following window pops up and do note the 3 different order types in the pic below:

B/S	Inst Name	Symbol	Op Type	Strike Price	Expiry date	Total Qty	Price	Market Lot
BUY	FUTIDX	BANKNIFTY	XX	-0.01	30Apr2015	25		25
SELL	FUTIDX	BANKNIFTY	XX	-0.01	30Apr2015	25		25
BUY	FUTIDX	BANKNIFTY	XX	-0.01	30Apr2015	25		25

Exhg-Seg	OrderType	Prod Type	Pro/Cli	ClientID	ClientName	Validity	Participant code	BWL Id
NFO	SP	NRML	CLI	AA0011	AMARESHWARI R	DAY		---NONE---

1. Order Type, SP (Spread):this kind of order is generally used to rollover the positions for next month or to trade calendar spreads . A calendar spread is a contract where you buy/sell a particular month contract (Futures or Options) and sell/buy (take an opposite position) of the same contract of a different month.

2. Order type : 2L/3L: This order placement tool can be used to trade pair trades or for trading complex option strategies which uses multi leg positions.

## SL-M order

The difference between a stop loss (SL) and a SL-M order is the absence of trigger price. In a stop loss order you choose price but with a trigger price. What a trigger price does is that it activates your order which otherwise is inactive. This order is treated like a limit order. So if there is a very sharp fall it may happen that the stop loss may not be executed. So for the rescue we have SL-M order ,in this we don't have to enter any price we have to enter only the trigger price. The moment the trigger price is hit sl will be sent as a market order and will immediately executed.

Sell Order Entry - AA0011

Exhg-Seg	OrderType	Pro/Cli	Inst Name	Symbol	Type	Strike	Expiry	Basket - Wave - Line	Mkt Prot	Auc No
MCX	SL-M	CLI	FUTCOM	CRUDEOIL	XX	-0.01	20Apr2015	---NONE---	0	
Qty [1=BBL]	LIMIT MARKET SL SL-M	Tr. Price	Disc Qty	Prod Type	Validity	Client Id	Client Name	Participant code	Validity	No Of Days
1		0	0	NRML	DAY				06-04-2015	0

Submit

## Market Order'

An order that an investor makes through a broker or brokerage service to buy or sell an investment immediately at the best available current price. A market order is the default option and is likely to be executed because it does not contain restrictions on the buy/sell price or the timeframe in which the order can be executed.

## Limit Order'

An order placed with a brokerage to buy or sell a set number of shares at a specified price or better. Because the limit order is not a market order, it may not be executed if the price set by the investor cannot be met during the period of time in which the order is left open. Limit orders also allow an investor to limit the length of time an order can be outstanding before being canceled.