

# Order Types for Futures and Options

This topic describes the order types supported by CME Globex for futures and options markets including:

Order Type	Futures	Options
Limit	✓	✓
Market Order with Protection	✓	✓
Market-Limit	✓	✓
Stop-Limit	✓	
Stop Order with Protection	✓	

 The above order types can be used in conjunction with an [Order Type Qualifier](#).

For message-level details for the following order types, see [iLink Order Types](#).

## Video Overview

For a video overview, watch the iLink Order Entry module of CME Globex 101.



## Limit Order

Limit orders allow the buyer to define the maximum purchase price for buying an instrument and the seller to define the minimum sale price for selling an instrument.

Any portion of the order that can be matched is immediately executed. Limit orders submitted for buying an instrument are executed at or below the limit price. Limit orders submitted for selling an instrument are executed at or above the limit price. A limit order remains on the book until the order is either executed, cancelled, or expires.

## Market-Limit Order

Market-limit orders are executed at the best price available in the market. If the market-limit order can only be partially filled, the order becomes a limit order and the remaining quantity remains on the order book at the specified limit price.

#### Example: Bid

1. The client sends a New Order to CME Globex.
  - Bid, ESZ8, Market-Limit.
2. CME Globex responds with an Execution Report - Order Confirmation.
3. The market-limit order becomes a limit order at the best available market price (90025).
4. CME Globex sends an Execution Report - Partial Fill.
  - 2-Lot @ 90025
5. The remaining quantity rests on the book at 90025.

## Market Order with Protection

Market orders with protection prevent market orders from being filled at extreme prices. Market orders with protection are filled within a pre-defined range of prices referred to as the protected range. For bid orders, protection points are added to the current best offer price to calculate the protection price limit. For offer orders, protection points are subtracted from the current best bid price.

CME Globex matches the order at the best available price level without exceeding the protection price limit. If the entire order cannot be filled within the protected range immediately, the unfilled quantity remains in the order book as a limit order at the limit of the protected range. Refer to the [GCC Product Reference Sheet](#) for a list of the "no cancel" ranges for products.

#### Example: Bid

The following example illustrates how the client interacts with CME Globex to process a market order with protection bid.

1. The client sends a Market Order to CME Globex.
  - Bid, ESZ8, Market Order.
  - Best Offer = 90025 and Protection Points = 600.
  - Protection Price Limit =  $90025 + 600 = 90625$ .
2. CME Globex sends an Execution Report - Partial Fill.
  - 2-Lot @ 90025
3. CME Globex sends an Execution Report - Partial Fill.
  - 3-Lot @ 90300
4. CME Globex sends an Execution Report - Partial Fill.
  - 3-Lot @ 90550
5. Next Best Offer = 90675. This value exceeds the protection price limit. CME Globex places the remaining quantity on the order book at a protection price limit of 90625.

#### Example: Offer

The following example illustrates how the client interacts with CME Globex to process a market order with protection offer.

1. The client sends a Market Order to CME Globex.
  - Offer, ESZ8, Market Order.
  - Best Bid = 90000 and Protection Points = 600
  - Protection Price Limit =  $90000 - 600 = 89400$
2. CME Globex sends an Execution Report - Partial Fill.
  - 2-Lot @ 90000
3. CME sends an Execution Report - Partial Fill.
  - 3-Lot @ 89900
4. CME Globex sends an Execution Report - Partial Fill.
  - 3-Lot @ 89650
5. Next Best Bid = 89300. This value is below the protection price limit. CME Globex places the remaining quantity on the order book at a protection price limit of 89400.

## Protection Functionality for Market and Stop Orders

Click the icon below to view a video for Market Order with protection:



## Stop Order - Futures Only

The Stop order type is an order which, when accepted, does not immediately go on the book, but must be "triggered" by a trade in the market the price level submitted with the order. There are two types of Stop order: the Stop-Limit, which goes on the book as a Limit order when activated, and the Stop with Protection, which goes on the book as a Market order.



### Stop Order Notes

- The stop order's trigger price is validated differently depending on the market state.
- During the Continuous market state, a Buy stop order must be  $>$  last trade price and a Sell stop order must be  $<$  last trade price. Absent a last trade price, the settlement price is used.
- During the Pre-Open and No Cancel market states, a Buy stop order must be  $>$  settlement price and a Sell stop order must be  $<$  settlement price.

## Stop-Limit Order

Stop-limit orders are activated when an order's trigger price is traded in the market.

- For a bid order, the trigger price must be higher than the last traded price.
- For a sell order, the trigger price must be lower than the last traded price.

After the trigger price is traded in the market, the order enters the order book as a limit order at the order limit price. The limit price is the highest /lowest price at which the stop order can be filled. The order can be filled at all price levels between the trigger price and the limit price. If any quantity remains unfilled, it remains on the order book as a limit order at the limit price.

## Stop Order with Protection

Stop orders with protection prevent stop orders from being executed at extreme prices. A stop order with protection is activated when the market trades at or through the stop trigger price and can only be executed within the protection range limit. The order enters the order book as a market order with the protection price *limit* equal to the trigger price plus or minus the pre-defined protection point range. Protection point values usually equal half of the Non-reviewable range. Refer to [www.cmegroup.com](http://www.cmegroup.com) for a list of the Non-reviewable range per product. For bid orders, protection points are added to the trigger price to calculate the protection price limit. For offer orders, protection points are subtracted from the trigger price.

CME Globex matches the order at all price levels between the trigger price and the protection price limits. If the order is not completely executed, the remaining quantity is then placed in the order book at the protection price limit.

**Example: Bid**

The following example illustrates how the client interacts with CME to process a stop order with protection bid.

1. The client sends in a new Stop With Protection order to CME Globex. Bidding 10 ESM1, Stop order, 133000 Trigger Price.
2. A trade occurs at the trigger price of 133000. The order is activated and CME responds with an execution report – order confirmation (Notification that order was triggered).
3. Trigger Price 133000, Protection Points 300
4. Protection Price Limit  $133000 + 300 = 133300$
5. CME Globex sends an Execution Report - Partial Fill. 2-Lot @ 133025.
6. CME Globex sends an Execution Report - Partial Fill. 3-Lot @ 133200.
7. CME Globex sends an Execution Report - Partial Fill. 2-Lot @ 133225.
8. Next Best Offer = 133375. This value exceeds the protection price limit of 133300. CME Globex places the remaining quantity on the order book at a protection price limit of 133300.

**Example: Offer**

The following example illustrates how the client interacts with CME Globex to process a stop order with protection offer.

1. The client sends a New Stop With Protection order to CME Globex.
2. Offering 10 ESM1, Stop order, 133000 Trigger Price.
3. A trade occurs at the trigger price of 133000. The client's order is activated and CME responds with an execution report - order confirmation (Notification that order was triggered).
4. Trigger Price 133000, Protection Points 300
5. Protection Price Limit  $133000 - 300 = 132700$
6. CME Globex sends an Execution Report - Partial Fill. 2-Lot @ 132900.
7. CME Globex sends an Execution Report - Partial Fill. 3-Lot @ 132850.
8. CME Globex sends an Execution Report - Partial Fill. 3-Lot @ 132800.
9. Next Best Bid = 132675. This value is below the protection price limit. CME Globex places the remaining quantity on the order book at a protection price limit of 132700.