



FXCM Slippage Statistics

SUMMARY: AN FXCM PRICE IMPROVEMENT (POSITIVE SLIPPAGE) OCCURS WHEN YOUR ORDER EXECUTES AT A MORE FAVORABLE PRICE THAN THE PRICE YOU REQUEST. THE OPPOSITE OF A PRICE IMPROVEMENT IS NEGATIVE SLIPPAGE, WHEN YOUR ORDER EXECUTES AT A LESS FAVORABLE PRICE. WITH FXCM'S EXECUTION MODEL, BOTH PRICE IMPROVEMENTS AND NEGATIVE SLIPPAGE ARE POSSIBLE, AS THE STATISTICS BELOW SHOW. FIND OUT IN THIS ARTICLE WHICH ORDER TYPES AND MARKET CONDITIONS COULD POTENTIALLY PUT YOU IN THE MOST LIKELY SITUATION TO RECEIVE EITHER A PRICE IMPROVEMENT OR NEGATIVE SLIPPAGE.¹



HIGHLIGHTS

These highlights come from orders that executed through FXCM Group from 1 January 2018 to 31 May 2018. Data excludes certain types of non-direct clients²:

- ☑ 25.72% out of all stop, limit, 'at market', and entry orders received positive slippage
- ☑ 10.38% out of all stop, limit, 'at market', and entry orders received negative slippage
- ☑ Over 63.86% of all limit and limit entry orders received positive slippage
- ☑ 42.86% of all stop and stop entry orders received negative slippage

AS YOU CAN SEE, WITH FXCM, POSITIVE SLIPPAGE OCCURS AS FREQUENTLY AS NEGATIVE SLIPPAGE. WE BELIEVE THAT THIS REFLECTS POSITIVELY ON OUR FOREX EXECUTION MODEL, WHICH AIMS TO PROVIDE FAIR AND TRANSPARENT EXECUTION.



TABLE 1.1 POSITIVE AND NEGATIVE SLIPPAGE BY MONTH

Slippage can occur for many reasons, but price volatility is often the largest contributor. Typically, as price volatility increases, slippage (both positive and negative) occurs more frequently; as price volatility decreases, slippage occurs less frequently. This is, for example, why traders typically see more slippage around news events.

Date	Orders Placed* Defined as the total amount of stop, limit, 'at market', and entry orders	No Slippage Amount of 'Orders Placed' That Received No Slippage, executed at requested price	Price Improvement Amount of 'Orders Placed' That Received a Price Improvement	Negative Slippage Amount of 'Orders Placed' That Received Negative Slippage	No Slippage percentage of 'Orders Placed' That Received No Slippage, executed at requested price	Price Improvement % Percentage of 'Orders Placed' That Received a Price Improvement	Negative Slippage % Percentage of 'Orders Placed' That Received Negative Slippage
Jan-18	7,697,925	4,901,786	1,972,656	823,483	63.68%	25.63%	10.70%
Feb-18	8,280,185	5,243,115	2,135,787	901,283	63.32%	25.79%	10.88%
Mar-18	8,144,066	5,286,200	2,016,516	841,350	64.91%	24.76%	10.33%
Apr-18	7,113,399	4,544,049	1,844,484	724,866	63.88%	25.93%	10.19%
May-18	7,850,843	5,004,032	2,082,285	764,526	63.74%	26.52%	9.74%
TOTAL	39,086,418	24,979,182	10,051,728	4,055,508	63.91%	25.72%	10.38%

*Certain non-direct clients are excluded from the data. Limit and limit entry orders will only execute at the requested price or better and cannot receive negative slippage. Any negative slippage on a limit or limit entry order is an error and clients are eligible to receive trade adjustments in the event that these errors occur. Price improvements are subject to available liquidity.



TABLE 1.2 POSITIVE AND NEGATIVE SLIPPAGE BY ORDER TYPE

Order Type	Orders Placed	No Slippage (at price)	Price Improvements	Negative Slippage	No Slippage (at price) %	Price Improvement %	Negative Slippage %
Close Market	10,723,638	7,482,289	2,496,070	745,279	69.77%	23.28%	6.95%
Limit	2,136,990	745,160	1,391,830	0	34.87%	65.13%	0.00%
Limit Entry	1,809,143	681,010	1,128,133	0	37.64%	62.36%	0.00%
Margin Call	1,335,175	812,663	299,607	222,905	60.87%	22.44%	16.69%
Open Market	18,753,210	13,716,366	3,898,106	1,138,738	73.14%	20.79%	6.07%
Stop	2,691,853	785,086	475,753	1,431,014	29.17%	17.67%	53.16%
Stop Entry	845,232	257,080	153,676	434,476	30.42%	18.18%	51.40%
TOTAL	38,295,241	24,479,654	9,843,175	3,972,412	63.92%	25.70%	10.37%

The above data comes from various order types that executed through FXCM Group from 1 January 2018 to 31 May 2018. Certain non-direct clients are excluded from the data.

Limit and limit entry orders will only execute at the requested price or better and cannot receive negative slippage. Any negative slippage on a limit or limit entry order is an error and clients are eligible to receive trade adjustments in the event that these errors occur. Price improvements are subject to available liquidity.



Table 1.2 Key

Order Type	Description
Close Market	Market order to close a position; order type is set to 'at market.'
Limit	Limit order.
Limit Entry	Limit entry order.
Margin Call	Market order to close a position; order type is set to 'at market.'
Open Market	Market order to open a position; order type is set to 'at market.'
Stop	Stop order.
Stop Entry	Stop entry order.



TABLE 2.1 MARKET ORDERS BY ORDER SIZE

Close Market Order, Open Market Order, Open Order, Close Range, Open Range, Close Order

Order Size*	Orders Placed	No Slippage (at price)	Price Improvements	Negative Slippage	No Slippage (at price) %	Price Improvement %	Negative Slippage %
0-0.49	29,545,714	21,300,566	6,399,210	1,845,938	72%	21.66%	6.25%
0.5-0.99	152,859	110,989	23,361	18,509	73%	15.28%	12.11%
1-1.9	63,529	42,720	7,919	12,890	67%	12.47%	20.29%
2-2.9	8,455	3,050	810	4,595	36%	9.58%	54.35%
3-3.9	4,220	1,197	258	2,765	28%	6.11%	65.52%
4-4.9	1,461	294	81	1,086	20%	5.54%	74.33%
5-9.9	4,412	885	281	3,246	20%	6.37%	73.57%
10+	2,376	326	114	1,936	14%	4.80%	81.48%
2018 Totals	29,783,026	21,460,027	6,432,034	1,890,965	72.05%	21.60%	6.35%

The data above comes from various order types that executed through FXCM Group from 1 January 2018 to 31 May 2018. Certain non-direct clients are excluded from the data.

*Order size is calculated per the notional value of the order and displayed in MM USD.



TABLE 2.2 LIMIT ORDERS BY ORDER SIZE

Immediately Executed Limit: Close Limit, Open Limit

Order Size	Orders Placed	No Slippage (at price)	Price Improvements	Negative Slippage	No Slippage (at price) %	Price Improvement %	Negative Slippage %
0-0.49	301,181	176,909	124,272	0	58.74%	41.26%	0.00%
0.5-0.99	3,623	1,714	1,909	0	47.31%	52.69%	0.00%
1-1.9	1,154	410	744	0	35.53%	64.47%	0.00%
2-2.9	76	5	71	0	6.58%	93.42%	0.00%
3-3.9	21	1	20	0	5%	95.24%	0.00%
4-4.9	35	0	35	0	0.00%	100.00%	0.00%
5-9.9	0	0	0	0	0.00%	0.00%	0.00%
10+	0	0	0	0	0.00%	0.00%	0.00%
2018 Totals	306,090	179,039	127,051	0	58.49%	41.51%	0.00%

The data above comes from various order types that executed through FXCM Group from 1 January 2018 to 30 May 2018. Certain non-direct clients are excluded from the data.

Limit and limit entry orders will only execute at the requested price or better and cannot receive negative slippage. Any negative slippage on a limit or limit entry order is an error and clients are eligible to receive trade adjustments in the event that these errors occur. Price improvements are subject to available liquidity.



TABLE 2.3 MARGIN CALLS AND STOP ORDERS

Stop and Margin Calls: Stop, Stop Entry, Trailing Stop, Trailing Stop Entry, Margin Call

Order Size	Orders Placed	No Slippage (at price)	Price Improvements	Negative Slippage	No Slippage (at price) %	Price Improvement %	Negative Slippage %
0-0.49	5,007,561	1,895,715	962,443	2,149,403	37.86%	19.22%	42.92%
0.5-0.99	19,965	7,860	3,526	8,579	39.37%	17.66%	42.97%
1-1.9	6,797	2,488	1,043	3,266	36.60%	15.35%	48.05%
2-2.9	1,830	600	218	1,012	32.79%	11.91%	55.30%
3-3.9	1,293	272	289	732	21.04%	22.35%	56.61%
4-4.9	212	31	13	168	14.62%	6.13%	79.25%
5-9.9	520	62	70	388	11.92%	13.46%	74.62%
10+	66	10	3	53	15.15%	4.55%	80.30%
2018 Totals	5,038,244	1,907,038	967,605	2,163,601	37.85%	19.21%	42.94%

The data above comes from various order types that executed through FXCM Group from 1 January 2018 to 31 May 2018. Certain non-direct clients are excluded from the data.



TABLE 2.4 RESTING LIMIT ORDERS

Resting Limit Orders: Limit, Trailing Limit Entry, and Limit Entry

Order Size	Orders Placed	No Slippage (at price)	Price Improvements	Negative Slippage	No Slippage (at price) %	Price Improvement %	Negative Slippage %
0-0.49	3,937,410	1,421,538	2,515,873	0	36.10%	63.90%	0.00%
0.5-0.99	7,496	3,055	4,441	0	40.76%	59.24%	0.00%
1-1.9	2,934	1,382	1,552	0	47.10%	52.90%	0.00%
2-2.9	826	387	439	0	46.85%	53.15%	0.00%
3-3.9	309	123	186	0	39.81%	60.19%	0.00%
4-4.9	105	42	63	0	40.00%	60.00%	0.00%
5-9.9	184	45	139	0	24.46%	75.54%	0.00%
10+	16	9	7	0	56.25%	43.75%	0.00%
2018 Totals	3,949,280	1,426,581	2,522,700	0	36.12%	63.88%	0.00%

The data above comes from various order types that executed through FXCM Group from 1 January 2018 to 31 May 2018. Certain non-direct clients are excluded from the data.

Limit and limit entry orders will only execute at the requested price or better and cannot receive negative slippage. Any negative slippage on a limit or limit entry order is an error and clients are eligible to receive trade adjustments in the event that these errors occur. Price improvements are subject to available liquidity.



SELECTING ORDER TYPES

There are several order types to choose from when trading forex. Each one is designed to address a specific trading need. Some order types are better suited for times when price volatility is high; some when it is low. Some order types are better suited for use around news events; some are more suitable to use when you hold positions open over the weekend.

The following information regarding order types may be helpful when deciding which order type to use.

HIGHLIGHTS

Based on data gathered from orders executed through FXCM Group from 1 January 2018 to 31 May 2018, we have found the following to be true:

- ☒ Limit and limit entry orders are most likely to receive positive slippage
- ☒ Stop and stop entry orders are most likely to receive negative slippage
- ☒ 'Market range' market orders can help to prevent negative slippage

Execution Certainty – traders typically use order types that offer execution certainty when they want to ensure entry into the market.

Price Certainty – traders typically use order types that offer price certainty when they want to ensure that their orders are only filled, if a particular price (or price range) is satisfied.



MARKET ORDERS

A market order enters or exits a position immediately at the best available price . It is the most frequently used order type with FXCM.

Slippage Characteristics: Market orders can receive positive slippage and negative slippage. A 'market range' market order provides price certainty but it does not provide execution certainty. An 'at market' order provides execution certainty but it does not provide price certainty.

At Market and Market Range: FXCM market orders include two order types: 'at market' and 'market range.'

Selecting 'at market' instructs the order to fill immediately at the best available price. This could be the price requested, a better price, or a worse price depending on market conditions. The executed price is determined primarily by price volatility at the time the order executes.

Selecting 'market range' instructs the order to execute immediately only if the best available price is within a defined range of prices. If the only available price is outside of the defined range, the order will not execute. This order type guarantees price certainty but it does not guarantee execution certainty.

THE TAKEAWAY: MARKET ORDERS ARE BENEFICIAL WHEN YOU WANT TO ENTER OR EXIT THE MARKET NOW. THE 'AT MARKET' ORDER TYPE GUARANTEES EXECUTION CERTAINTY BUT NOT PRICE CERTAINTY. THE 'MARKET RANGE' ORDER TYPE GUARANTEES PRICE CERTAINTY BUT NOT EXECUTION CERTAINTY.



ENTRY ORDERS

An entry order will only trigger for execution if the market price reaches the entry order price.

Slippage Characteristics: There are two types of entry orders: stop entry orders and limit entry orders. A stop entry order can receive both positive and negative slippage. A limit entry order is designed to only receive positive slippage.

Stop Entry vs. Limit Entry: An entry order is considered a 'stop' entry order when the entry order price is a less favorable price than the current market price (i.e. a higher price when you are buying and a lower price when you are selling). This order type can be filled at the requested price, a better price, or a worse price depending on market conditions. Using this order type, especially around news events or other volatile market conditions, can subject you to negative slippage.

An entry order is considered a 'limit' entry order when the order price is a more favorable price than the current market price (i.e. a lower price if you are buying and a higher price if you are selling). This order type is designed to only fill at the requested price or better. Thus, traders gain price certainty but they do not have execution certainty when using this order type. Using a limit entry order to open trades, especially around news events or other volatile market conditions, may be a better option than using a stop entry order because negative slippage can be avoided.

THE TAKEAWAY: ENTRY ORDERS ARE BENEFICIAL WHEN YOU WANT TO ENTER OR EXIT THE MARKET AT A FUTURE PRICE. WHEN TRADING AROUND VOLATILE MARKET CONDITIONS, A LIMIT ENTRY ORDER CAN BE USED TO OPEN TRADES INSTEAD OF A STOP ENTRY ORDER IF YOU WANT TO POTENTIALLY AVOID NEGATIVE SLIPPAGE. PLEASE NOTE: LIMIT ENTRY ORDERS DO NOT PROVIDE EXECUTION CERTAINTY.



STOP AND LIMIT ORDERS

Stop and Limit orders are designed to close trades when the market reaches a future price.

A stop order is placed at a worse rate than the current market price, when this price is reached the order will close instantly at the best available price. This could be the price requested, a better price, or a worse price depending on market conditions. A stop order provides execution certainty but it does not provide price certainty, so negative slippage is possible.

A limit order is placed at a better rate than the current market rate. When this price is reached a conditional order to close the trade at the best available rate will be triggered. If the best available rate is the same or better than the requested price the order will close with no slippage or positive slippage. If the best available rate is worse than the requested rate, then the order will not execute and the position will remain open.

Limit orders provide price certainty but they do not provide execution certainty because they are designed to only fill at the limit price or better.

Slippage Characteristics: A stop order can receive both positive and negative slippage. A limit order is designed to receive positive slippage or no slippage but not negative slippage.

THE TAKEAWAY: STOP AND LIMIT ORDERS ARE BENEFICIAL WHEN YOU WANT TO EXIT THE MARKET AT A FUTURE PRICE. WHEN TRADING AROUND VOLATILE MARKET CONDITIONS, A LIMIT ORDER CAN BE USED TO CLOSE TRADES TO PROVIDE PRICE CERTAINTY.



Disclaimers

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²Non-direct clients may include clients of certain intermediaries.

HIGH RISK INVESTMENT

Trading forex/CFD's on margin carries a high level of risk and may not be suitable for all investors as you could sustain losses in excess of deposits. Leverage can work against you. The products are intended for retail and professional clients. Due to the certain restrictions imposed by the local law and regulation, German resident retail client(s) could sustain a total loss of deposited funds but are not subject to subsequent payment obligations beyond the deposited funds. Be aware and fully understand all risks associated with the market and trading. Prior to trading any products offered by Forex Capital Markets Limited, inclusive of all EU branches, FXCM Australia Pty. Limited, any affiliates of aforementioned firms, or other firms within the FXCM group of companies [collectively the "FXCM Group"], carefully consider your financial situation and experience level.