



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 NO DEALING DESK FOREX 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 2017 to 30 September 2017. Data excludes certain types of non-direct clients²:

- ☑ 28.72% out of all stop, limit, 'at best' market, and entry orders received positive slippage
- ☑ 10.94% out of all stop, limit, 'at best' market, and entry orders received negative slippage
- ☑ Over 63.83% of all limit and limit entry orders received positive slippage
- ☑ 32.60% of all stop and stop entry orders received negative slippage

WITH FXCM, POSITIVE SLIPPAGE OCCURS ABOUT AS FREQUENTLY AS NEGATIVE SLIPPAGE. WE BELIEVE THAT THIS REFLECTS POSITIVELY ON OUR NO DEALING DESK 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 best' 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-17	9,928,447	5,846,745	2,772,087	1,309,615	58.89%	27.92%	13.19%
Feb-17	8,299,500	4,659,670	2,637,630	1,002,200	56.14%	31.78%	12.08%
Mar-17	8,890,269	5,092,041	2,950,926	847,302	57.28%	33.19%	9.53%
Apr-17	6,990,660	4,225,947	2,125,381	639,332	60.45%	30.40%	9.15%
May-17	7,731,401	4,793,817	2,222,019	715,565	62.00%	28.74%	9.26%
Jun-17	7,315,036	4,561,206	1,985,949	767,881	62.35%	27.15%	10.50%
Jul-17	6,711,961	4,186,074	1,769,705	756,182	62.37%	26.37%	11.27%
Aug-17	7,700,664	4,825,945	2,012,249	862,470	62.67%	26.13%	11.20%
Sep-17	6,620,609	4,160,072	1,681,007	779,530	62.84%	25.39%	11.77%
TOTAL	70,188,547	42,351,517	20,156,953	7,680,077	60.34%	28.72%	10.94%

*Certain non-direct clients are excluded from the data. Limit and limit entry orders only receive negative slippage in error; 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

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.

Order Type	Orders Placed	No Slippage (at price)	Price Improvements	Negative Slippage	No Slippage (at price) %	Price Improvement %	Negative Slippage %
Close Market	19,013,332	12,418,115	4,993,804	1,601,413	65.31%	26.26%	8.42%
Limit	3,878,006	1,369,420	2,508,572	0	35.31%	64.69%	0.00%
Limit Entry	3,336,789	1,239,900	2,096,885	0	37.16%	62.84%	0.00%
Margin Call	2,378,355	1,129,003	761,696	487,656	47.47%	32.03%	20.50%
Open Market	31,434,201	21,206,543	7,792,124	2,435,534	67.46%	24.79%	7.75%
Stop	4,627,546	1,226,139	1,160,331	2,241,076	26.50%	25.07%	48.43%
Stop Entry	1,467,351	406,884	387,170	673,297	27.73%	26.39%	45.89%
TOTAL	66,135,580	38,996,004	19,700,582	7,438,976	58.96%	29.79%	11.25%

The above data comes from various order types that executed through FXCM Group from 1 January 2017 to 30 September 2017. Certain non-direct clients are excluded from the data. Limit and limit entry orders only receive negative slippage in error; clients are eligible to receive trade adjustments in the event that these errors occur. Price Improvements are subject to available liquidity. Total orders in the table above is comprised of only the order types listed.



Table 1.2 Key

Order Type	Description
Close Market	Market order to close a position; order type is set to 'at best.'
Limit	Limit order.
Limit Entry	Limit entry order.
Margin Call	Market order to close a position; order type is set to 'at best.'
Open Market	Market order to open a position; order type is set to 'at best.'
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	49,162,129	33,198,966	11,962,451	4,000,712	68%	24.33%	8.14%
0.5-0.99	219,626	145,292	47,829	26,505	66%	21.78%	12.07%
1-1.9	96,188	59,561	19,632	16,995	62%	20.41%	17.67%
2-2.9	21,645	9,383	3,339	8,923	43%	15.43%	41.22%
3-3.9	7,400	2,327	699	4,374	31%	9.45%	59.11%
4-4.9	1,613	427	112	1,074	26%	6.94%	66.58%
5-9.9	7,925	2,000	718	5,207	25%	9.06%	65.70%
10+	5,451	587	220	4,644	11%	4.04%	85.20%
2017 Totals	49,521,977	33,418,543	12,035,000	4,068,434	67.48%	24.30%	8.22%

The data above comes from various order types that executed through FXCM Group from January 1, 2017 to September 30, 2017. Certain non-direct clients are excluded from the data.

Limit and limit entry orders only receive negative slippage in error; clients are eligible to receive trade adjustments in the event that these errors occur. Price improvements are subject to available liquidity.



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	344,972	137,217	207,755	0	40%	60.22%	0.00%
0.5-0.99	5,310	362	4,948	0	7%	93.18%	0.00%
1-1.9	3,184	202	2,982	0	6%	93.66%	0.00%
2-2.9	971	41	930	0	4%	95.78%	0.00%
3-3.9	521	16	505	0	3%	96.93%	0.00%
4-4.9	427	27	400	0	6%	93.68%	0.00%
5-9.9	0	0	0	0	0%	0%	0%
10+	0	0	0	0	0%	0%	0%
2017 Totals	355,385	137,865	217,520	0	38.79%	61.21%	0.00%

The data above comes from various order types that executed through FXCM Group from January 1, 2017 to September 30, 2017. Certain non-direct clients are excluded from the data.

Limit and limit entry orders only receive negative slippage in error; 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	8,002,422	2,645,066	2,168,807	3,188,549	33.05%	27.10%	39.84%
0.5-0.99	36,929	12,370	9,302	15,257	33.50%	25.19%	41.31%
1-1.9	8,635	2,550	2,223	3,862	29.53%	25.74%	44.72%
2-2.9	10,221	2,847	2,074	5,300	27.85%	20.29%	51.85%
3-3.9	2,246	552	410	1,284	24.58%	18.25%	57.17%
4-4.9	971	119	176	676	12.26%	18.13%	69.62%
5-9.9	421	93	91	237	22.09%	21.62%	56.29%
10+	845	59	334	452	6.98%	39.53%	53.49%
2017 Totals	8,062,690	2,663,656	2,183,417	3,215,617	33.04%	27.08%	39.88%

The data above comes from various order types that executed through FXCM Group from January 1, 2017 to September 30, 2017. Certain non-direct clients are excluded from the data.

Limit and limit entry orders only receive negative slippage in error; clients are eligible to receive trade adjustments in the event that these errors occur. Price improvements are subject to available liquidity.



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	7,209,447	2,604,050	4,605,397	0	36.12%	63.88%	0.00%
0.5-0.99	17,563	7,086	10,477	0	40.35%	59.65%	0.00%
1-1.9	9,315	4,161	5,154	0	44.67%	55.33%	0.00%
2-2.9	1,841	856	985	0	46.50%	53.50%	0.00%
3-3.9	1,109	526	583	0	47.43%	52.57%	0.00%
4-4.9	454	212	242	0	46.70%	53.30%	0.00%
5-9.9	363	138	225	0	38.02%	61.98%	0.00%
10+	130	36	94	0	27.69%	72.31%	0.00%
2017 Totals	7,240,222	2,617,065	4,623,157	0	36.15%	63.85%	0.00%

The data above comes from various order types that executed through FXCM Group from January 1, 2017 to September 30, 2017. Certain non-direct clients are excluded from the data.

Limit and limit entry orders only receive negative slippage in error; 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 January 1, 2017 to September 30, 2017, 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 executes at the current market 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 best' market order provides execution certainty but it does not provide price certainty.

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

Selecting 'at best' instructs the order to fill at the market 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 only if the executed 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 RANGE ORDERS ARE BENEFICIAL WHEN YOU WANT TO ENTER OR EXIT THE MARKET NOW. THE 'AT BEST' 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

A stop order is designed to execute at the market price. This could be the price requested, a better price, or a worse price depending on market conditions. It was designed this way because a stop order is most frequently used to exit a trade from a losing position. A stop order provides execution certainty but it does not provide price certainty, so negative slippage is possible.

A limit order is designed to execute at a specified price or better. For many traders, the limit order price is set at their profit target. 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 but not negative slippage.

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.



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.