

Order Entry Tools

For

Futures DayTraders

(and maybe stocks also)

Order Entry Tools for Futures DayTraders

- **If you are a daytrader, especially in Futures, how you place and manage your orders is crucial to your success.**
- **You must be BOTH fast and accurate.**
- **Trade Management can be the difference between profits and losses, between big gains and small gains, between small losses and large losses.**
- **You need to be able to scale in, scale out, place stops and targets with a single click.**

Let's look at several ways to place your orders

Standard Broker Order Window

- **Requires “fill in the blanks” information. (many if you do anything other than a market order)**
- **Can place actual order with one click if disable Trade Check (“Are you sure you want to do this?”) screen**
- **Requires you to think about your trades well in advance.**
- **Order types are usually quite limited**
- **Works fine for swing or position trading...Daytrading...not so well**

Fidelity Active Trader Pro Standard Order Window

Most Brokers Standard Order Entry Windows are Functional but Primitive

- One Click Order Entry for Stocks (after you set everything up!)
- Minimal Order Types supported (Market, Limit, Stop Loss, Stop Limit, Trailing Stop).
- Many Fields to fill out prior to placing the order.
- Fine for swing or position trading.... But.....
- Very difficult to work this in a fast moving market daytrading

Stocks & Options		Multi-Leg Options		Mutual Funds		Conditional		Directed Multi Trade												
Account	Symbol	Last	Chg.	Bid	Ask	Action	Qty	Ord. Type	Stop	Limit	Trail	Based	TIF	Cond.	Type	Lots	Value	Place	✓	Time
Taxable	OIH	111.64	-1.91	0.00	0.00	Sell	100	Market					Day	None	Margi	<input type="checkbox"/>	\$11,164.00	<input type="button" value="Place"/>	<input type="checkbox"/>	4:00pm
Taxable	OIH	111.64	-1.91	0.00	0.00	Buy	100	Market					Day	None	Margi	<input type="checkbox"/>	\$11,164.00	<input type="button" value="Place"/>	<input type="checkbox"/>	4:00pm
Taxable	OIH	111.64	-1.91	0.00	0.00	Sell Short	100	Limit					Day	None	Short	<input type="checkbox"/>		<input type="button" value="Place"/>	<input type="checkbox"/>	4:00pm
Taxable	OIH	111.64	-1.91	0.00	0.00	Sell	100	Stop L					Day	N	W	<input type="checkbox"/>		<input type="button" value="Place"/>	<input type="checkbox"/>	4:00pm
Taxable	OIH	111.64	-1.91	0.00	0.00	Buy	100	Market					Day	None	Margi	<input type="checkbox"/>	\$11,164.00	<input type="button" value="Place"/>	<input type="checkbox"/>	4:00pm
Taxable	OIH	111.64	-1.91	0.00	0.00	Sell Short	100	Market					Day	None	Short	<input type="checkbox"/>	\$11,164.00	<input type="button" value="Place"/>	<input type="checkbox"/>	4:00pm

- Modifying orders is also complex... Must do a Cancel and Replace.....More Clicks

Fidelity Active Trader Pro Conditional Order Window

- If one wishes OCO (brackets) or OTO (auto target or stop), order screen gets MUCH more complicated
- E.g. All this must be filled out to do a bracket order!

Stocks & Options	Multi-Leg Options	Mutual Funds	Conditional	Directed Multi Trade		
Account: Taxable		Conditional Trade Type: One Cancels the Other (OCO)				
Order A: If this order executes, cancel the order below	Symbol:	<input type="text"/>	Order Type:	<input type="text"/>	Time in Force:	<input type="text"/>
	Action:	<input type="text"/>	Amount:	<input type="text"/>	Conditions:	<input type="text"/>
	Quantity:	<input type="text"/>	Based On:	<input type="text"/>	Trade Type:	<input type="text"/>
Order B: If this order executes, cancel the order above	Symbol:	<input type="text"/>	Order Type:	<input type="text"/>	Time in Force:	<input type="text"/>
	Action:	<input type="text"/>	Amount:	<input type="text"/>	Conditions:	<input type="text"/>
	Quantity:	<input type="text"/>	Based On:	<input type="text"/>	Trade Type:	<input type="text"/>
<input type="button" value="Place Order"/>				<input type="button" value="Clear"/>		

Interactive Brokers Standard Order Window

To Create a Limit Order

1. Click the *ASK* price to create a BUY order, the *BID* price to create a SELL order
2. In the *Type* field select *LMT* as the order type
 - Type field has many many order options
3. In the *Lmt Price* field, enter the price at which you want the order to execute
4. To transmit the order, click the "T" in the *Status* field.
 - Very functional, but way too slow for Daytrading.

The screenshot shows the Interactive Brokers Trader Workstation (TWS) interface. The main window is titled "Demo - Interactive Brokers Trader Workstation" and features a menu bar with options like File, Page, Ticker, Order, Tools, Analytics, View, Chart, Configure, and Help. Below the menu bar is a toolbar with various icons for account management, order entry, and analysis. The main content area is divided into several tabs, including "Mut Funds", "Watch List", "Top % Gainers", "Relevant EFPs", "Volatility 1", and "Pending (All)". The "Watch List" tab is active, displaying a table of market data. The table has columns for Underlying, Description, Bid Size, Bid, Ask, Ask Size, Last, Change, Dividends, Close, and Int. R. A context menu is open over the "LMT" order type field, showing options like TRAIL, TRAIL LIT, REL, MOC, and LOC. The status field "T" is highlighted.

Underlying	Description	Bid Size	Bid	Ask	Ask Size	Last	Change	Dividends	Close	Int. R
BIDU	Stock (NASDAQ...)	1	289.83	290.02	1	289.82	-6.13	0.00	295.95	
GS	Stock (NYSE)	14	174.26	174.29	1	174.27	-4.63	2.45	178.90	
AAPL	Stock (NASDAQ...)	11	151.53	151.56	8	151.55	-1.29	0.00	152.84	
			DAY SELL	100	LMT	151.68	SMART	T		
			DAY BUY	100	LMT	151.71	SMART	T		
FLR	Stock (NYSE)	13	151.15	151.25	LMT	151.19	-1.28	1.75	152.47	
SPY	Stock (AMEX)	17	135.52	135.53	MKT	135.52	-1.30	7.86	136.82	
IBM	JUN08 Futures L...	75	116.58	116.74	MTL	C116.26		0.40	116.26	
IBM	Stock (NYSE)	30	116.67	116.69	MIT	116.67	+0.40	2.80	116.27	
FDX	Stock (NYSE)	12	93.28	93.30	STP	93.28	-2.77	0.70	96.05	
DE	Stock (NYSE)	14	87.04	87.07	MIT	87.04	-1.63	1.75	88.67	
LVS	Stock (NYSE)	11	80.34	80.40	STP LMT	80.36	-1.14	0.00	81.50	
MMM	Stock (NYSE)	21	79.82	79.84	LIT	79.83	-0.05	3.50	79.88	

Last Login: Apr 09, 11:19

Market data

Published by eSignal (www.esignal.com)

Interactive Brokers Book Trader (DOM)

DOM's (Depth Of Market) are the standard order tool for futures

1. Click the Bid Size or Ask Size at a certain price level in the ladder and the order is transmitted instantaneously.

The screenshot shows the 'IB Customer Paper - BookTrader' window. At the top, there is a menu bar with 'File', 'BookTrader', 'Orders', 'Configure', and 'Help'. Below the menu bar, there are several controls: 'Cancel All', 'Clear Log', 'Re-center', and a 'Default size 400' dropdown. A callout bubble points to these controls, stating: 'Order defaults come from the active Preset, but you can modify the default size directly in BookTrader.'

Below the controls is the 'Quote Panel' with columns: 'Undr...', 'Exchan...', 'Dscrptn', 'Prst', 'Position', 'Bid', 'Ask', 'Last', and 'Chng'. The first row shows 'SPY' with a bid of 84.67 and an ask of 84.68.

Underneath is the 'Deep Book Buttons' section with buttons for 'ArcaBook', 'CBSX', 'NASDAQ TotalView', and 'Others'. A callout bubble points to these buttons, stating: 'Depress a button to include that data in the price ladder.'

The main part of the interface is the 'Orders' tab, which displays a table with columns: 'Action', 'Quantity', 'Type', 'Lmt Prc', 'Aux. Price', and 'Status'. Below this is a detailed order book table with columns: 'Status', 'Size', 'Bd Sz', 'Price', and 'Ask Size'. The table shows bid and ask orders at various price levels. A callout bubble points to the 'BUY' button in the bid size column, stating: 'Click the Bid Size at a price level to transmit a BUY limit order at that price. Click the Ask Size at a price level to transmit a SELL limit order at that price.'

Another callout bubble points to the 'BUY' button, stating: 'The context cursor shows helpful order information.'

A third callout bubble points to the bid and ask sizes, stating: 'Colors give important at-a-glance price information.'

Status	Size	Bd Sz	Price	Ask Size
		5,228		6,796
			84.78	333
			84.77	249
			84.76	412
			84.75	444
			84.74	266
			84.73	495
			84.72	960
			84.71	460
			84.70	326
			84.69	164
			84.68	26
		330	2 @ 84.67	
		803	84.66	
		922	84.65	SELL
		487	84.64	
		360	84.63	
		207	84.62	

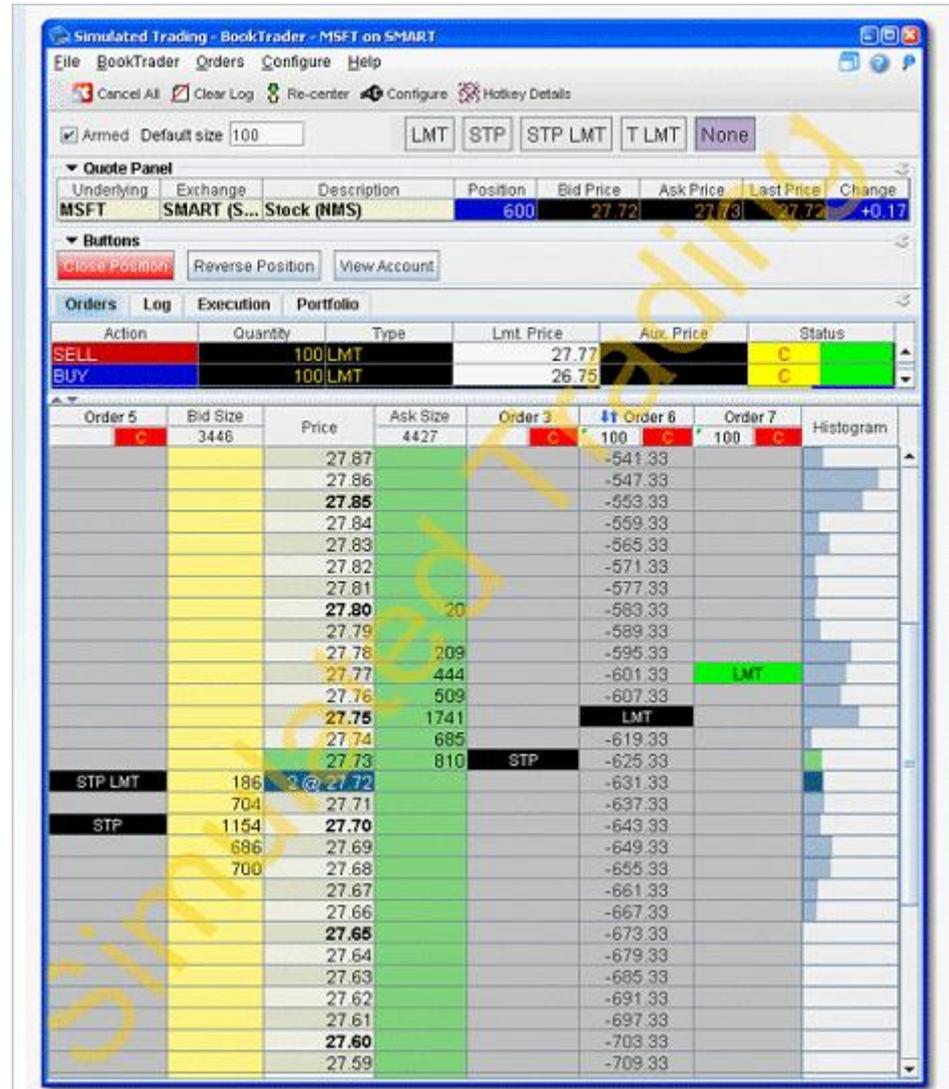
Interactive Brokers Book Trader Advanced Mode (DOM)

A Little Better

- With this screen you can now scale in, scale out, set up target exits and stop losses, etc.
- To Modify you can Drag the suborders up and down with your mouse

Each new Order column can contain up to 4 elements:

- * The parent Order (LMT)
- * The Target Limit order (TLMT) - this is the limit order created as part of a bracket order.
- * The Stop order (STP)
- * The stop limit (SLMT)



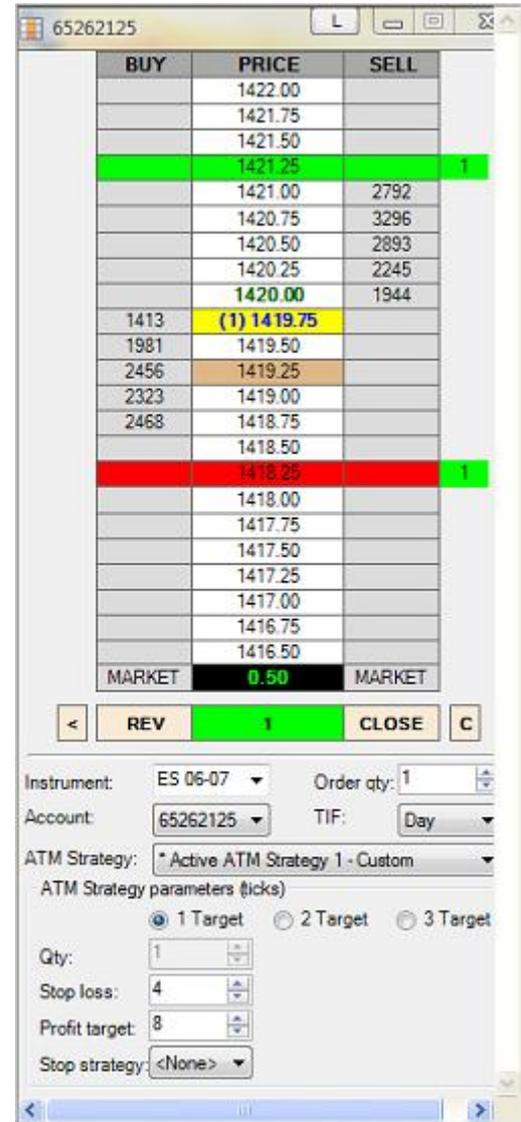
NinjaTrader

A Tool Giving Futures Traders a BIG Advantage

- **One Click Order Entry and Trade Management system for Futures, Stocks, Forex**
- **Needs Data feed (your Broker, eSignal, etc).**
- **Can have a backup data feed in case the primary goes down.**
- **Orders and trade management occur in Ninja and are routed to your broker**
- **Advanced Trade Management**
- **Extensive charting and reporting tools**
- **Multiple ways to enter orders... SuperDOM, Charts, Basic, FX Pro**

Ninja Trader SuperDOM

- Single click order entry and modification
- Highly visual order and position display
- Many user controlled display options such as price rows, colors, and more
- Concurrent use in the same or different markets and in both live and simulation mode
- Quick order entry, exit, and scaling buttons
- Intelligent bracketed OCO orders on entry and while scaling in/out



NinjaTrader Advanced Trade Management (ATM)

Now we're talking!

Trader can set up rules and conditions for semi-automated trade management using user defined strategy templates. These allow NinjaTrader to think like you but ask much faster.

ATM will work on both the SuperDOM and the Chart Trader

Advanced Trade Management (ATM)

- Auto submit stop and target orders
- OCO (one cancels other) bracket orders
- Automatic multi-step trail stops
- Automatic break even stop loss
- Volume-based simulated stop loss
- Run long and short at the same time
- Reduces stress and emotion
- FIFO preservation

Ninja Trader Advanced Trade Management (ATM) - 1

Automated Stop Loss and Profit Target Order Submission

Define how you will exit your trade by creating templates for automatic submission of stop loss and profit target orders. Your strategy will execute and start submitting exit orders once your entry order is partially filled.

OCO (One Cancels the Other) Orders

A strategy will not only submit your stop loss and profit target brackets it will manage the relationship between them. If a profit target order is filled, the paired stop loss will automatically cancel.

Scale in or out of a strategy and all stop loss and profit target orders are updated to reflect the changed strategy position size. Increase the order size of your second profit target and your first profit target order size is automatically decreased.

The screenshot shows the 'ATM Strategy parameters (ticks)' dialog box in NinjaTrader. The 'ATM Strategy' is set to '<Custom>'. Under 'ATM Strategy parameters (ticks)', the '2 Target' radio button is selected. The parameters are as follows:

Parameter	Value 1	Value 2
Qty	2	2
Stop loss	4	4
Profit target	8	14
Stop strategy	<None>	<None>

Other fields in the dialog include: Instrument: ES 06-07, Order qty: 4, Account: 65262125, TIF: Day.

NinjaTrader Advanced Trade Management (ATM) - 2

Automated Breakeven Stop Loss

Auto breakeven allows you to set a profit condition that will trigger NinjaTrader to automatically adjust your stop loss order to a breakeven price. Optionally, you can also assign an offset value that will subtract or add to your breakeven price with the latter used to cover commission costs for a true break-even

Stop Strategy

Auto breakeven (ticks)

Profit trigger: 0 Plus: 0

Auto trail (ticks)

1 step 2 step 3 step

Stop loss Frequency Profit trigger

Step 1: 6 2 4

Step 2: 3 1 12

Simulated Stop

Vol Trigger: 0 (Value of zero is disabled)

OK Cancel

Automatic Trailing Stops

Industry standard trail stops either stop you out too quickly or, give back too much profit. NinjaTrader's Auto Trail system was designed to give you the power and flexibility to intelligently trail your profits. Since no two markets trade alike, you can set up custom auto trail strategies that take into account the 'wiggle' factor of different markets thus avoiding pre-mature stop outs. Create auto trail strategies that are liberal at the early stages of your trade and automatically tighten up as the trade goes into your favor.

NinjaTrader Advanced Trade Management (ATM) - 3

Volume Based Simulated Stop Loss Orders

Ever have your stop loss order trigger by a single tick only to watch the market immediately bounce and trade to your profit target without you?

With volume based simulated stops, a NinjaTrader first feature, the triggering of your stop loss order will be delayed until such time that support or resistance is breached based on your user defined volume condition.

FIFO (First In First Out) Preservation

Limit orders are filled according a principle called FIFO. This means orders ahead of you in the queue get filled first. Whenever possible, NinjaTrader will preserve your limit orders position in the queue.

Increase the size of an order, NinjaTrader will simply submit an additional order for the difference in size which results in two orders. NinjaTrader's order entry displays provide you with a consolidated view of all orders resting at the same price.

When reducing the size of an order, NinjaTrader will amend or cancel the newest orders first. This may sound straightforward and obvious but it's not, and only NinjaTrader gives you this trading edge.

NinjaTrader Advanced Charting with Order Entry

Charting Capabilities

- Flexible chart styles and intervals
 - Candlestick, OHLC, Line on Close and HiLo chart styles
 - Tick based bar intervals
 - Time based bar intervals - Sec, Min, Daily, Weekly, Monthly and Yearly
 - Custom user defined interval compression (55 Tick, 30 Seconds etc...)
- Extensive indicator library
- Real-time and End-of-Day
- Chart futures, forex and equities
- Develop custom indicators
- Rich set of interactive drawing tools
- Broad data feed support

Visualization

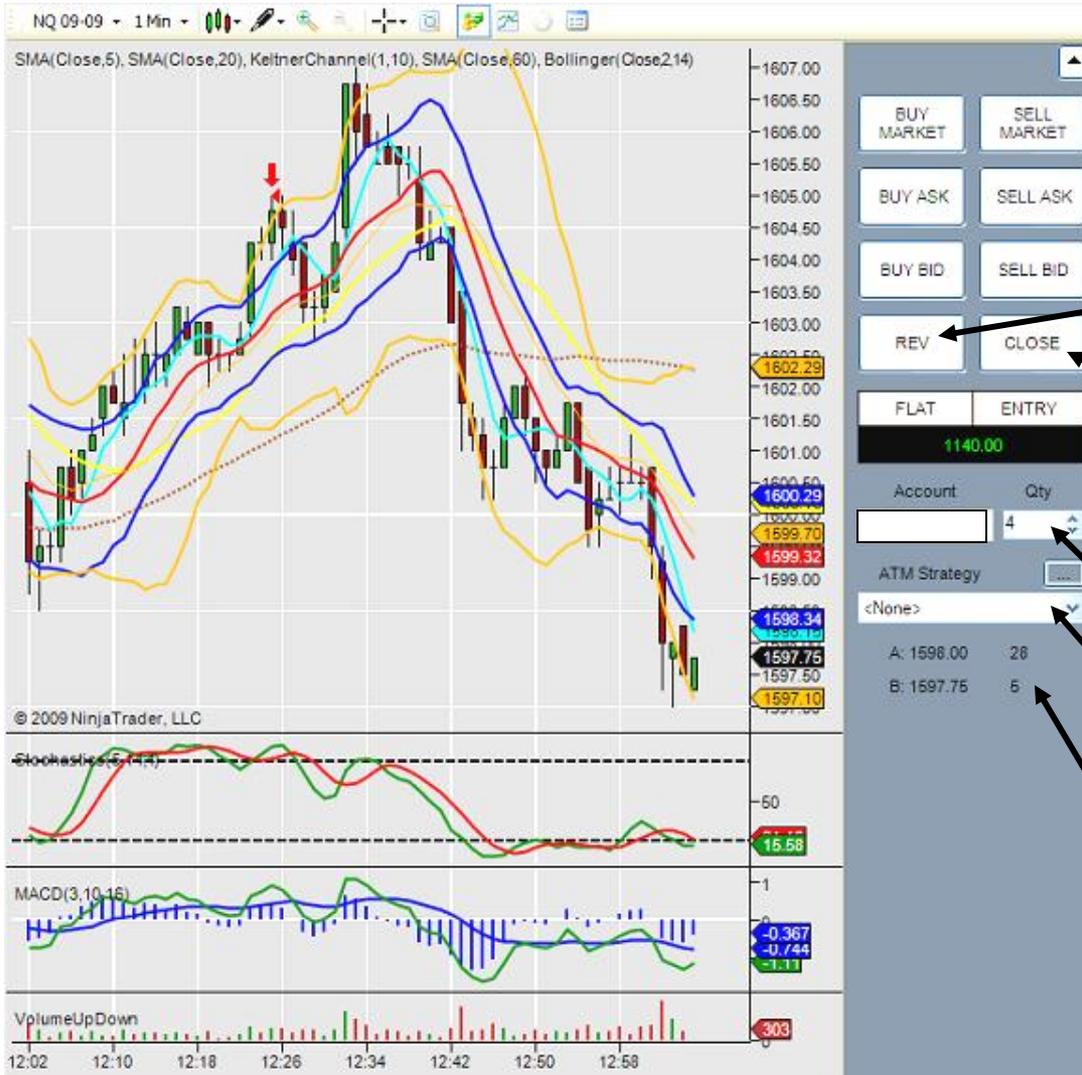
- Optionally display trades, orders and open positions
- Visually customize grid lines, colors, fonts and indicators
- Automated strategy execution markers and trade lines
- Chart templates
- Visually customize all chart draw objects
- Global cross hair and window linking

Trade Directly Within the Charts

- Easily enter, modify and cancel orders
- Visualization of all orders, fills and positions
- Manage trades using NinjaTrader's Advanced Trade Management

Chart Trading with NinjaTrader

Place Your Orders Right off the Charts!



Buy Sell Buttons – One Click

Reverse Position

Close all Positions Immediately

Current Day's P&L (If Flat),
Else, Current Trade P&L

Qty for Next Entry

ATM (Active Trade Management)
Strategy selection

Current Bid/Ask

NinjaTrader Chart Example



NinjaTrader Chart Example-Cont'd



Price moved higher, moved Stop loss up with mouse by clicking on Stop and dragging higher thus locking in a profit.

Trade stalled near end of day...
Exited manually with 2 point profit by hitting "Close" Button.

That button closed the trade, and cancelled all other outstanding Orders.

Total Profit = 2 pts x 4 Contracts x \$20/Point = \$160

Orders | Strategies | Executions | Positions | Accounts | Account Performance | Log

Generate From: 11/ 2/2009 To: 11/ 2/2009 Mode: Currency

Summary | Graphs | Executions | Trades | Periods | Orders | Journal

Performance	All Trades	Long Trades	Short Trades
Total Net Profit	\$2070.00	\$1920.00	\$150.00
Gross Profit	\$2250.00	\$1920.00	\$330.00
Gross Loss	-\$180.00	\$0.00	-\$180.00
Commission	\$0.00	\$0.00	\$0.00
Profit Factor	12.50	99.00	1.83
Cumulated Profit	\$2070.00	\$1920.00	\$150.00
Max. Drawdown	-\$180.00	\$0.00	-\$180.00
Sharpe Ratio	1.00	1.00	1.00
Start Date	11/2/2009		
End Date	11/2/2009		
Total # of Trades	6	4	2
Percent Profitable	83.33%	100.00%	50.00%
# of Winning Trades	5	4	1
# of Losing Trades	1	0	1
Average Trade	\$345.00	\$480.00	\$75.00
Average Winning Trade	\$450.00	\$480.00	\$330.00
Average Losing Trade	-\$180.00	\$0.00	-\$180.00
Ratio avg. Win / avg. Loss	2.50	480.00	1.83
Max. consec. Winners	3	4	1
Max. consec. Losers	1	0	1
Largest Winning Trade	\$1050.00	\$1050.00	\$330.00
Largest Losing Trade	-\$180.00	\$0.00	-\$180.00
# of Trades per Day	6.00	4.00	2.00
Avg. Time in Market	10.8 min	14.1 min	4.3 min
Avg. Bars in Trade	0.0	0.0	0.0
Profit per Month	\$63135.00	\$58560.00	\$4575.00
Max. Time to Recover	0.02 days	0.02 days	0.00 days
Average MAE	\$390.00	\$532.50	\$105.00
Average MFE	\$570.00	\$712.50	\$285.00
Average ETD	\$225.00	\$232.50	\$210.00

NinjaTrader Reporting

Ninja provides superb reports on various time frames. This can help you improve your results.

This is a one day summary.

NinjaTrader Reporting - 2

This is a detailed summary of all trades for one day.

Trade#	Instru	A	Strateg	Market	Qu	Entry pric	Exit pric	Entry time	Exit time	En	Exit n	Profit	Cum.	Com	MAE	MFE	ETD	Bar
1	NQ 12-0		6-16T T	Long	6	1680.00	1683.00	11/2/2009 9:05:13 A	11/2/2009 9:29:36 AM	Entr	Close	\$360.00	\$360.00	\$0.00	\$1380	\$600.	\$240.00	0
2	NQ 12-0		6-16T T	Long	6	1674.25	1683.00	11/2/2009 9:10:28 A	11/2/2009 9:29:36 AM	Entr	Close	\$1050.0	\$1410.0	\$0.00	\$690.	\$1290	\$240.00	0
3	NQ 12-0			Long	6	1656.75	1660.50	11/2/2009 1:21:03 P	11/2/2009 1:24:15 PM			\$450.00	\$1860.0	\$0.00	\$60.0	\$600.	\$150.00	0
4	NQ 12-0			Short	6	1660.50	1662.00	11/2/2009 1:24:16 P	11/2/2009 1:28:36 PM		Close	\$-180.00	\$1680.0	\$0.00	\$180.	\$60.0	\$240.00	0
5	NQ 12-0			Long	6	1665.50	1666.00	11/2/2009 1:41:26 P	11/2/2009 1:50:55 PM			\$60.00	\$1740.0	\$0.00	\$0.00	\$360.	\$300.00	0
6	NQ 12-0			Short	6	1667.25	1664.50	11/2/2009 2:06:15 P	11/2/2009 2:10:28 PM		Close	\$330.00	\$2070.0	\$0.00	\$30.0	\$510.	\$180.00	0

NinjaTrader Chart Trading – Try it

Ninja is Free to try. You don't pay until you execute live trades.

Download it.

Connect to a data source (eSignal or your broker if broker supports)

Set up Sim 101 account and paper trade to learn the program and make a purchase decision.

Note: some brokers (IB for sure) also have a paper trade account that you could connect to instead of the Sim 101

Listen to on line seminars during the week to learn how to use.

Don Miller's Keys to the Castle

Market Bias is King. Just this one little concept can turn your whole trading career around and make consistent profitability possible.

Outliers are the keys to the castle.

In poker, it's usually best to play conservative until you get a hand where the probabilities are strongly in your favor. When trading, it's usually the same. You need to **wait until the odds are strongly in your favor, and then go in heavy.** Unfortunately, those conditions may exist only 2 to 3 times per day and only in windows of a few seconds where you can get in at the right odds.

You **add to your winners.** Try to turn each and every trade that goes in your favor into an outlier. **Get as much out of each trade as you can. Inverse applies to trades going against you. Limit your losses to the best of your ability by knowing you're wrong and scratching before the market proves you're wrong.**

At the end of the day, 1 or 2 outlier trades can make up for every missed opportunity or good trade gone bad. And those become outlier days. And those lead to outlier weeks. Pretty soon, you don't have to worry about being right 70+ percent of the time. You take all that stress of "being right" off your shoulders and that in turn makes it easier to scratch a trade that's lost its premise. I no longer think that it "may come back so I don't have to take the loss" or "just try to get out here on this limit!" Who cares, scratch it. Next bus is coming. It's a heck of a lot easier to come back from a \$200 loss versus a \$2000 loss.

More Don Miller on Outlier Trades

The concept of outliers is critical.

In my view, and in terms of trade population, optimal trading is all about 50% modest wins, 30% small losses, 15% home runs, and 5% bonehead moves.

Yet in terms of net trading results, the 15% home runs will often exceed the 50% modest wins.

And it doesn't matter whether you're talking about a trading day, week, month, year, or career, as the impact is the same. The same is of course true in spades in Poker.