London Investment Markets – Education Hub

London Investment Markets

LIM is the exclusive, institutional-grade trading platform providing a definitive edge for CFD traders in Forex, Crypto, Equities, Indices, and Commodities.

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Explained: Good ’Till Cancelled (GTC)

In CFD (Contract for Difference) trading, a **Good ’Till Cancelled (GTC)** order is a time-in-force instruction attached to a pending order (such as a Limit or Stop order). It dictates that the order must **remain active continuously in the broker's system until it is either executed or manually cancelled by the trader.**

Unlike a Good-For-the-Day (GFD) order—which automatically expires at the end of the trading session—a GTC order carries over across days, weeks, or even months without requiring you to re-enter it every morning.

How GTC Orders Work in CFD Trading

When trading CFDs, you are speculating on price movements using leverage. A GTC order acts as an automated "set-and-forget" trigger that sits on your broker’s server, waiting for market prices to reach your designated entry or exit point.

The Lifecycle of a GTC Order:

1. **Setup:** You place a pending Limit or Stop order to open or close a CFD position and select **GTC** as the duration/time-in-force.
2. **Persistence:** The market closes at the end of the day. While GFD orders expire, your GTC order stays alive in the order book.
3. **Execution or Cancellation:** The order remains pending until:
   - The underlying asset's price touches your target level (the order **fills**).
   - You manually log into your platform and **cancel** the order.
   - The order hits a **maximum broker lifetime cap** (typically 30 to 90 days).

Common Use Cases for GTC in CFD Trading

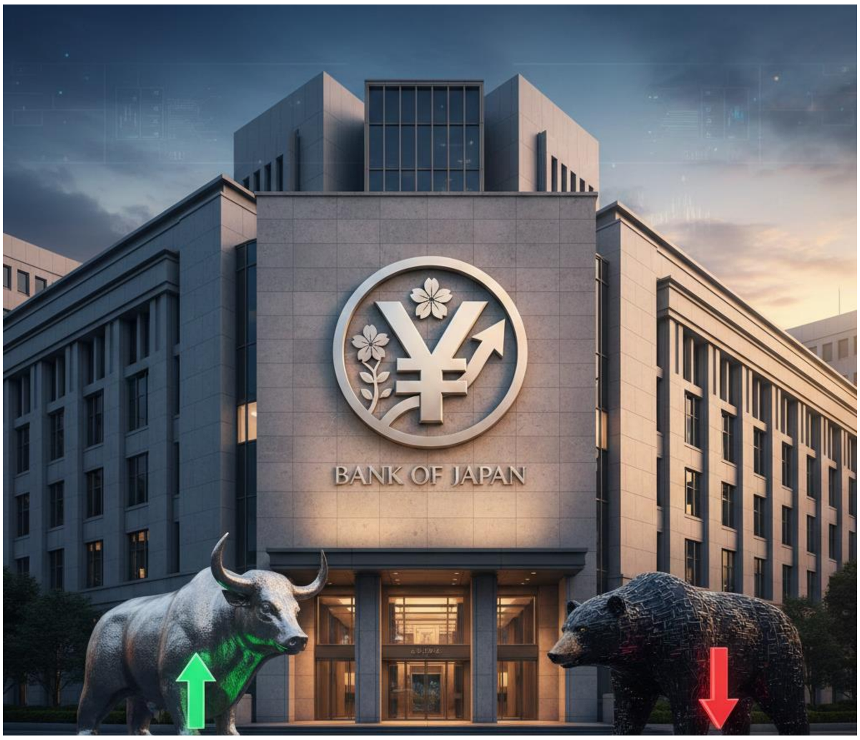
GTC instructions are primarily applied to **pending entry orders** and **risk management exit orders**:

1. Pending Entry Orders (Limit & Stop Orders)

- **GTC Buy/Sell Limit:** Used when you are waiting for a pullback to key support or resistance before entering a swing trade.
  - *Example:* An index CFD is trading at $18,500. You want to buy if it drops back to a major support level at $18,000. Setting a **GTC Buy Limit at $18,000** means you don't have to watch the screen every day waiting for that dip to occur.
- **GTC Buy/Sell Stop:** Used for breakout strategies where you only want to enter if the price breaks out past a long-term range.

2. Risk Management (Stop Loss & Take Profit)

- When you hold an open CFD position over multiple days, your associated **Stop Loss** and **Take Profit** orders are almost always designated as GTC by default. This ensures your capital remains protected across changing trading sessions.



GTC vs. Other Order Timeframes

To see how GTC fits into a broader trading strategy, it helps to compare it directly with alternative execution instructions:

Order Type	How Long It Stays Active	Primary Purpose	Key Risk
GTC (Good 'Till Cancelled)	Continuous (until filled, cancelled, or capped).	Swing trading, long-term technical levels, automated exits.	Overnight gapping risk, forgotten/stale orders.
GFD (Good-for-the-Day)	Until the close of the current trading session.	Intraday trading, avoiding overnight risk.	Order may expire before price reaches target.
IOC (Immediate-or-Cancel)	Fills immediately (fully/partially); rest cancels instantly.	Getting filled right now at a specific price limit.	May result in partial fills.
FOK (Fill-or-Kill)	Fills completely & immediately, or cancels entirely.	All-or-nothing execution for larger position sizes.	Order won't execute if full volume isn't available.

Key Risks and Considerations for CFD Traders

While GTC orders offer convenience, holding pending orders across multiple days in leveraged CFD markets carries specific risks:

1. Overnight Gapping and Slippage

Markets do not trade continuously 24/7 (except for crypto and select forex pairs). When a market reopens after an overnight closure or weekend, news events can cause the price to **"gap"** over your target price.

- *Slippage Risk:* If you have a GTC Buy Stop at $100 and the market opens at $105 due to a gap, your order will trigger and fill at the best available price ($105)—a worse price than you planned for.

2. "Stale" Orders

One of the biggest psychological mistakes CFD traders make is placing a GTC order and forgetting about it.

- Market conditions, news fundamentals, and technical trendlines change over time. An entry price that made sense two weeks ago might be a terrible trade today due to shifting market dynamics.

3. Automatic Expiry Caps

"Cancelled" doesn't always mean *you* have to cancel it. Most CFD brokers impose a hard limit on how long a GTC order can remain pending—typically between **30, 60, or 90 days**. After this period, the broker's system will automatically cancel the order to clean up inactive data on their servers.

Best Practices for Using GTC Orders

1. **Audit Your Pending Orders Regularly:** Make it a weekly habit to review all open GTC orders on your dashboard and cancel any that no longer align with current market conditions.
2. **Use Guaranteed Stop Losses (GSLs) for Exits:** If you use GTC stop-loss orders to manage open positions, consider using a Guaranteed Stop Loss (if offered by your broker) to protect against severe overnight market gaps.
3. **Be Aware of Corporate Actions:** If you hold a GTC order on a single-stock CFD, be mindful of upcoming dividend payments, earnings releases, or stock splits, as these events can cause sudden price shifts that trigger your order unexpectedly.

***Past performance does not reflect future results. The above is for marketing and general informational purposes only and are only projections and should not be taken as investment research, investment advice or a personal recommendation.**

Why Choose LIM

Institutional-Grade Trading

Access the same trading tools and conditions previously available only to large financial institutions.

Regulation

London Investment markets Limited is registered in the Marshall islands, Registered Number: 134064. Senior management is comprised of UK qualified Head of Compliance as well as English qualified lawyers who manage the firm to the highest standards of regulatory compliance.

Client Money Protection

Client money is segregated into a dedicated client money account.

Corporate Governance

The firm is managed by a UK qualified Head of Compliance as well as English qualified lawyers. All procedures at LIM are drafted by market leading professionals.

Liquidity from Large Financial Institutions

Sophisticated technology allows us to provide wholesale interbank prices, historically available only to large financial institutions and corporations.

No Dealing Desk execution

All trades are executed by systems without human interventions.

Secure

Your data is protected by enterprise-grade encryption.