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.

London Investment Markets – News & Markets

LIM keeps you informed with the latest financial news, market analysis, and economic events that move global markets.

Explained: Market Orders

A **Market Order** is the most basic yet vital tool in a trader's arsenal. At its core, it is an instruction to a broker to buy or sell an asset **immediately at the best available current price**.

While it seems simple, the underlying mechanics involve a trade-off between **speed** and **price**.

Execution Over Price

When you place a market order, you are telling the market: *"I don't care exactly what price I get; I just want this trade done right now."*

- **Guaranteed Execution:** In a liquid market, your order will almost always be filled instantly.
- **Variable Price:** You have no control over the final fill price. You simply "take" whatever the current market participants are "offering."

How It Works (The Order Book)

To understand a market order, you must look at the **Order Book**, which is a list of all "Limit Orders" waiting to be filled.

- **Buy Market Order:** Matches with the lowest available **Ask (Sell)** price in the book.
- **Sell Market Order:** Matches with the highest available **Bid (Buy)** price in the book.

The Hidden Risks: Slippage and Liquidity

Because market orders "walk the book" until the total quantity is filled, they are subject to two major risks:

- **Slippage:** This is the difference between the price you *saw* when you clicked the button and the price you actually *got*. If the market is moving fast, the price can change in milliseconds.
- **Liquidity Risk:** If you place a very large market order in a "thin" market (low volume), your order might fill the first few units at a good price, but the rest will be filled at increasingly worse prices as the order "eats through" the available supply.

Market Order vs. Limit Order

- Traders usually choose between these two based on their priority:

Feature	Market Order	Limit Order
Priority	**Speed** (Instant entry/exit)	**Price** (Cost control)
Execution	Guaranteed (if market is open)	Not guaranteed (price may never reach your level)
Risk	Slippage in volatile markets	"Missing the move" if price moves away
Best For	High-liquidity assets (EUR/USD, Apple)	Low-liquidity or highly volatile assets

When Should You Use a Market Order?

Despite the lack of price control, market orders are the right choice in several scenarios:

- **Emergency Exits:** If a trade is going dangerously against you and you need to "get out now" to protect your capital.
- **High Liquidity:** When trading major assets with a very "tight" spread (the difference between Bid and Ask is tiny).
- **Breaking News:** If a major news event just happened and you want to enter before the trend leaves you behind.

Pro Tip: Avoid using market orders during the **market open** (first 15 minutes) or during **major news releases** (like NFP or Fed decisions). Volatility is so high during these times that slippage can be massive.

***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.