London Investment Markets – Education Hub

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: Good-For-the-Day (GFD)

In Contracts for Difference (CFD) trading, a **Good-For-the-Day (GFD)** order—often simply called a **Day Order**—is an order execution instruction that remains active and waiting to be filled only until the close of the current trading day.

If the target price you set is not reached by the time the underlying market closes for that session, the broker's system automatically cancels the order.

How a GFD Order Works in CFD Trading

When you trade CFDs, you are speculating on price movements without taking physical ownership of the underlying asset (such as stocks, indices, commodities, or forex).

Because CFDs move rapidly and leverage amplifies both gains and losses, precise control over *when* and *how long* your orders stay active is crucial.

The Lifecycle of a GFD Order:

1. **Placement:** You set a pending limit or stop order to enter or exit a CFD trade at a specific price, tagging it as "Good-For-the-Day."
2. **Waiting Period:** The order sits in the broker's order book throughout the trading session.
3. **Execution:** If the market hits or crosses your specified target price during market hours, the CFD trade triggers and opens/closes.
4. **Automatic Expiry:** If the market never touches your target price before the market closing bell, the order is quietly wiped from the system—**it will not carry over into the next trading day.**

GFD Order Types: Limit vs. Stop

GFD instructions are paired with pending order types:

- **GFD Buy/Sell Limit Order:** You set an order to buy a CFD *below* the current market price or sell *above* it.
    - *Example:* A stock CFD is currently trading at £100. You believe it will dip briefly to £97 today before bouncing. You place a GFD Buy Limit at £97. If it hits £97 today, you buy. If it stays at £98 all day and closes, the order cancels.
- **GFD Buy/Sell Stop Order:** You set an order to buy *above* the current price (a breakout strategy) or sell *below* it.
    - *Example:* Gold CFD is at $2,400. You want to buy if it breaks out past $2,415 today. You place a GFD Buy Stop at $2,415.

GFD Orders vs. Other Time-in-Force Instructions
Understanding how GFD compares to alternative duration instructions helps in selecting the right tool for a given strategy:

Order Duration Type	**How Long It Stays Active**	**Best Used For**
GFD (Good-for-the-Day)	Until the close of the current session.	Intra-day setups, avoiding overnight gap risks.
GTC (Good-Till-Cancelled)	Stays open indefinitely until filled or manually cancelled.	Swing trading multi-day price levels.
IOC (Immediate-or-Cancel)	Fills immediately (fully or partially); un-filled portion cancels instantly.	Getting in right now at a target price without waiting.
FOK (Fill-or-Kill)	Must be filled entirely and immediately, or the entire order cancels.	Large position sizes needing exact execution.

Why CFD Traders Use GFD Orders

Using GFD orders offers key advantages for managing CFD positions effectively:

1. Protection Against Overnight Gapping

CFD markets close overnight (or over weekends). When markets reopen, they can "gap" significantly higher or lower due to news, earnings, or geopolitical events.

- *The Risk with GTC:* If you leave a pending order active overnight (GTC) and the market opens with a massive gap past your price, your order could trigger at a far worse price than intended due to slippage.
- *The GFD Advantage:* A GFD order purges itself before the market closes, eliminating the risk of an unintended order filling on a market gap the next morning.

2. Disciplined Intra-day Strategy Execution

Intra-day trading relies on technical analysis that applies specifically to *today's* price structure (e.g., today's support/resistance or VWAP levels). Tomorrow's market conditions will be completely different. A GFD order prevents yesterday's trade ideas from accidentally triggering in today's market.

3. Protection Against "Overnight Financing Fees"

Holding CFD positions open overnight incurs **overnight holding costs (swap fees)**. GFD orders encourage a clean, day-trading discipline where pending setups don't lingeringly convert into overnight carry costs unless intentionally managed.

Key Things to Keep in Mind

- **Underlying Market Hours Matter:** The precise time a GFD order expires depends on the specific asset class. A CFD on a US Stock (like Apple) expires at 16:00 EST, whereas a Forex CFD market operates on a 24-hour cycle where the "day close" is typically 17:00 EST (New York close).

Pre/Post-Market Trading: Standard GFD orders usually only apply to regular trading hours. If your broker offers extended-hours CFD trading, ensure you know whether your GFD order covers extended sessions or strictly the core session.

*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.