

Limit orders and Level 1 data  
from Bookmap's perspective:

Passive **Buy** and **Sell** market players



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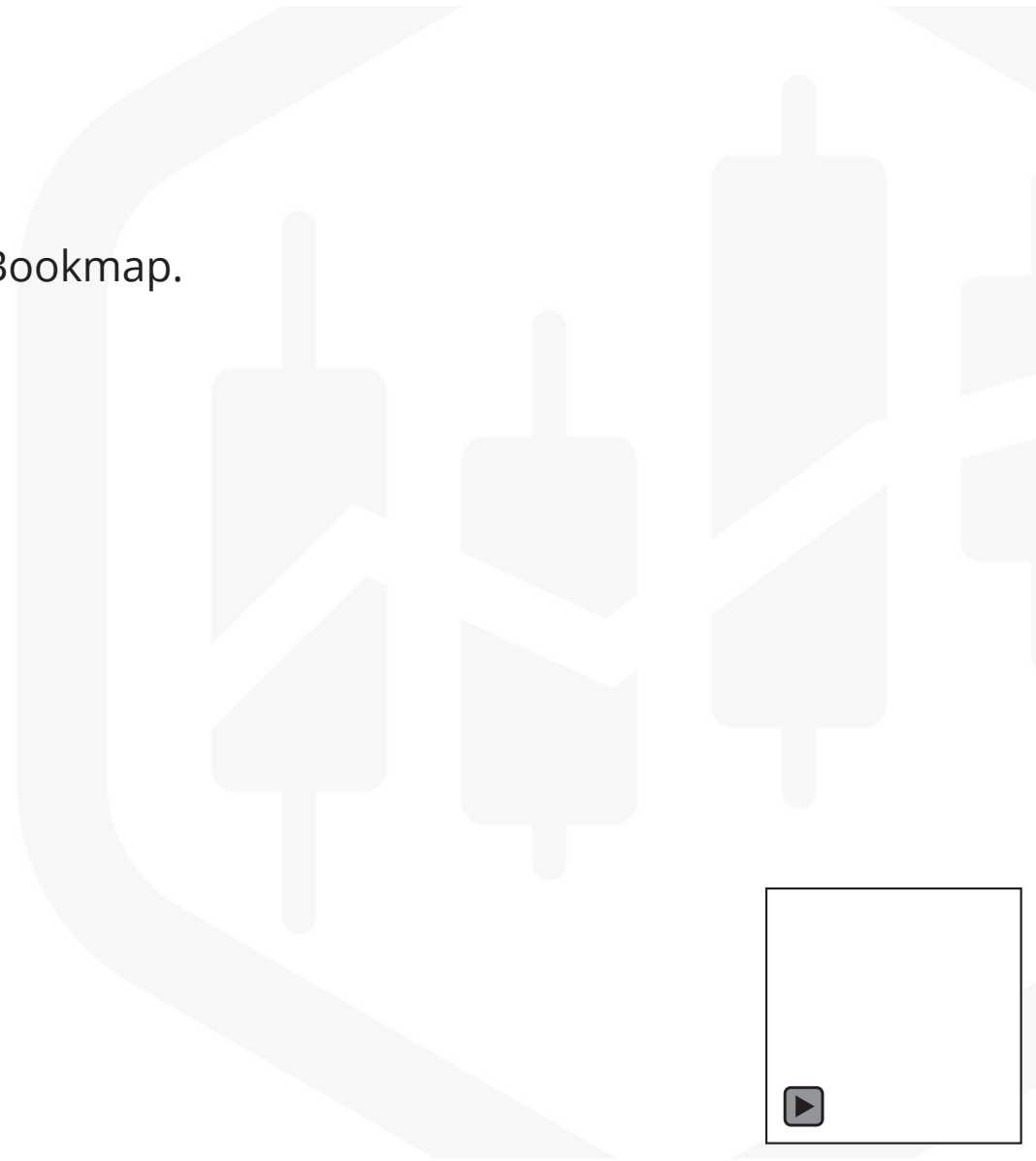
Presented by: RTrades (Roko)



# Outline

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- Basics on **Limit orders**.
- Best Limit **Bid** and **Ask** orders on **Level 1** and Bookmap.



## What is a Limit Order?

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**Limit orders** will be used by **patient buyers** and **sellers** that are willing to wait for price to come to their desired level to be filled.

**Limit orders** enable **patient buyers** and **sellers** to **buy** and **sell**, respectively, the specific **pre-defined number of shares** at **pre-specified prices** (or better) - **whenever it happens in time**.



### ***Limitation of the Limit Order:***

*The price level may never come to the desired price level of the **buyer** or **seller** specified by the limit order and, thus, may never get filled.*



## Limit Orders by Buyers are called "Bids".

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**Buyers** that are providing **Demand** for the shares of the stock will place their **Buy limit orders** at **LOWER prices** than the *current price of shares*.

**Buyers** want to **buy** their shares at lower prices to get the best deal they can get to own shares of a stock in anticipation that price will go **UP** to make profits.

The **Limit orders** by **Buyers** in the stock market are called **"Bids"**.



## Limit Orders will be filled when price “hits” them.

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The Limit **buy Bid** orders will be filled if price comes **DOWN** to the desired prices or below.

If this happens, we say that “Bids were hit”.

### **NOTE:**

If a Buyer places a limit **Bid** order at \$40, while current price is \$38, it will be filled at that moment because the **current price is below** the placed **Bid** Limit order.



## Limit Orders by Sellers are called "Asks".

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**Sellers** that are willing to sell the shares of the stock that they already own will place their **Sell limit orders** at **HIGHER prices** than the *current price of shares* providing **Supply**.

**Sellers** want to **sell** their shares at higher, highest prices they can get to make the largest **profit** on shares they currently own, shares which they bought at some point in the past.

**The Limit orders** by **Sellers** in the stock market are called **"Asks"**.



## Limit Orders will be filled when price "hits" them.

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The Limit sell **Ask** orders will be filled if price comes **UP** to the desired prices or above.

If this happens, we say that "*Offers were lifted*".

### NOTE:

If a Seller places a limit **Ask** order at \$40, while current price is \$44, it will be filled at that moment because the **current price is above** the placed **Ask** Limit order.



# Level 1 data signals us Best Bid and best Ask.



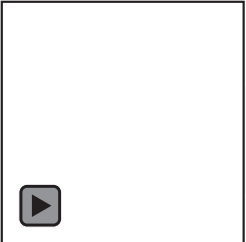
**Level 1 (Lv1) presents us with current best Bid and current best Ask limit orders.**

**Bid**      **Ask (Offer)**

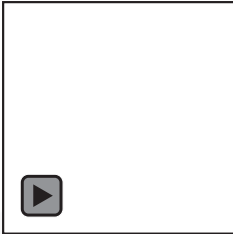
Lv1 158.3      158.32      Bid-Ask Spread: 0.02

Best Bid is the CURRENT highest price that a buyer is willing to pay to buy certain number of shares of a particular stock.

Best Ask is the CURRENT lowest price that a seller is willing to sell certain number of shares of a particular stock.



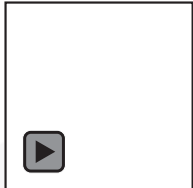
# Level 1 data in Bookmap is represented in historic and current times!



Level 1 data in Bookmap: current best Bid and best Ask are represented by dashed green and red line.



Level 1 data in Bookmap: best Bid and best Ask are represented by green and red lines.



Level 1 data in Bookmap: best Bid and best Ask are represented by green and red lines.

