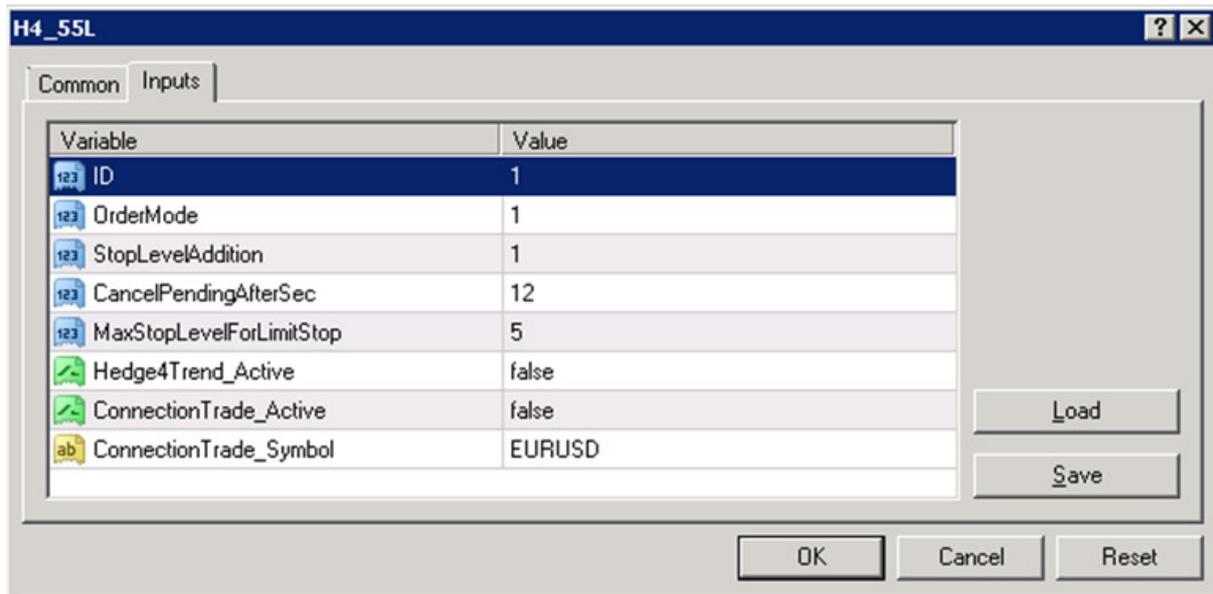# How to Setup and Use Limit Orders
# with Hedge4.78p and the new EA H4_55L.ex4

When you install the new EA **H4_55L.ex4** it will look like this:



You already know the variables ID, Hedge4Trend_Active, ConnectionTrade_Active and ConnectionTrade_Symbol. If your don't please refer to the manual.

**How Market, Limit and Stop Orders work and how to take advantage of it:**

1. **Market Order** is placing a buy or a sell order with no specific price into the market and the broker tries/promises to execute at the best price possible (but sometimes I have doubts that do that).

→ **All prior Versions of Hedge4 worked only with Market Orders!**

2. **Stop Order** is an order placed at a worse price (above the market price would be a buy stop and below the market price would be a sell stop) – so when the market reaches this price the Stop Order converts into a Market Order and will be executed at the next available price.

3. **Limit Order** is an order with a price attached to it. The price can be at the market price or below the market price for a buy order or above the market price for a sell order. When the market price reaches the limit price the broker has the obligation to give you that price or an even better price.

**Market and Stop Orders allow the broker to execute at a worse price by adding slippage or by re-quoting your price – Limit Orders don't allow that.**

The broker must execute at the limit price or a better price or not at all.

Unfortunately a Buy Limit Order can only be placed at the or below the market price (ask) and a Sell Limit Order only at or above the market price (bid). So if you try to place a Limit Oder and the price has moved into the wrong direction you will GET AN ERROR MESSAGE by MT4 (**Error 130**=invalid stops).

A second challenge is that many brokers do NOT allow to place Limit Orders at or very close to the market price. They require the Limit Order to be a lot further away – so it is much harder to execute. This restriction is called **StopLevel**. If the StopLevel is 0 – that is great because this broker allows Limit Orders at the current market price and you have a better change to get a good execution at the price you wanted.

> **Attention: If the StopLevel of a broker is greater than 1.5 Pips there is not much sense in trying to use Limit Orders and you should use Market Orders.**

So after explaining the above, here is how to use it with the new EA H4_55L.ex4

**OrderMode**
    1=Market Orders only
    2=Stop Orders only (not recommended)
    3=Limit Orders only (be aware of other settings and StopLevel)
    4=Automatic 1 (the EA will automatically decide but tends to Market Orders
    5=Automatic 2 (the EA will automatically decide but tends to Limit Orders)

> → **I personally suggest to use OrderMode 4 or 5 (more aggressive). Please be aware of the individual broker requirements for Limit Orders. If you don't want to use Limit Orders or automatic – choose OrderMode=1 which is like the Hedge4 before and sends out only Market Orders.**

**StopLevelAddition**
    You can artificially add to your StopLevel when you see that a broker with StopLevel=0 gets many Errors 130. 1 equals 1/10 of a pip.

**CancelPendingAfterSec**
    If a Limit Order was not filled within 12 seconds will be cancelled and possibly a new order with a different price will be send out. You and adjust this period.

**MaxStopLevelForLimitStop**
    This setting allows the maximum StopLevel that a broker can have to even be considered with Limit Orders. For example if one broker has a StopLevel of 5 pips this broker will not get any Limit Orders as it is 10 times as high as permitted. 5 means 0.5 Pips and you can change it to any number if you think it makes sense.

> → **I suggest you work with Limit Orders first on demo accounts to get used to the functionality before you use it with real accounts.**