

# WT

## #WINNERSTABLE

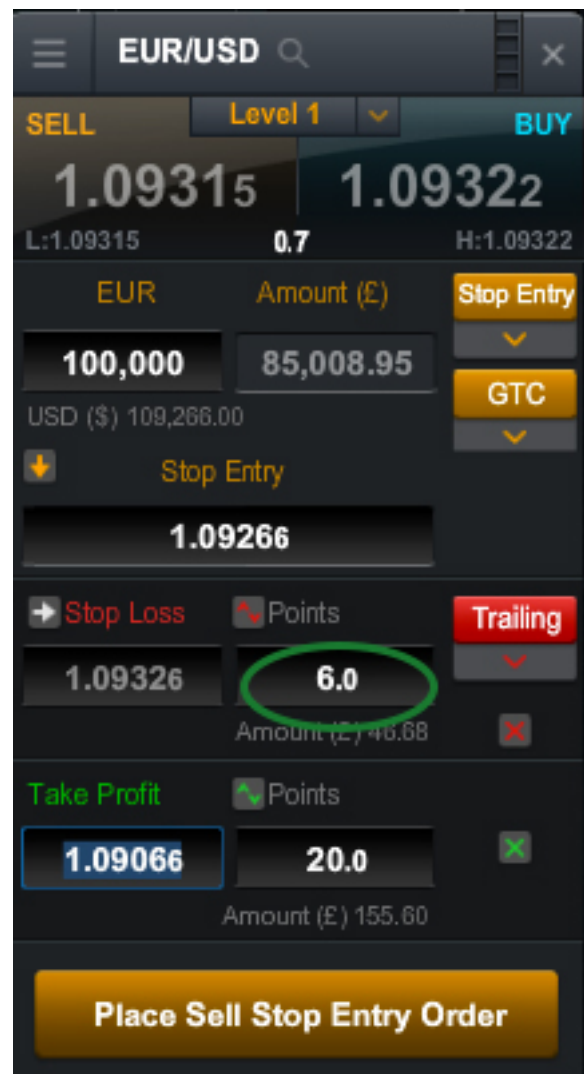
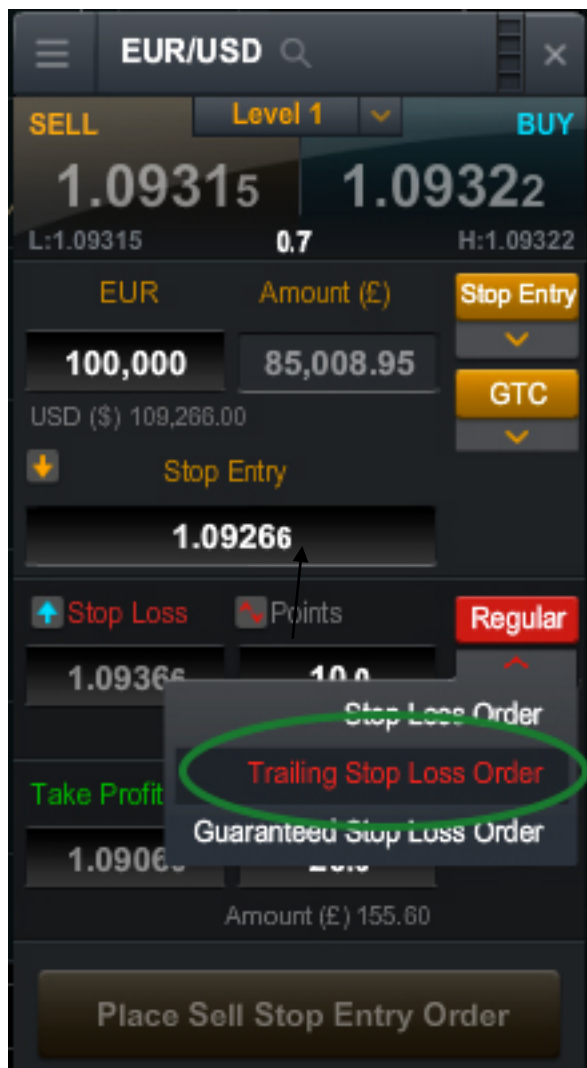
### What is a Trailing Stop Loss?

A Trailing Stop Loss works like a regular Stop Loss except that it will trail the price at a set distance if the trade develops in your favor and remain the same if it does not. It is used to limit losses if the market goes against you and to "lock in" any profits if the market moves in your favor.



## Example

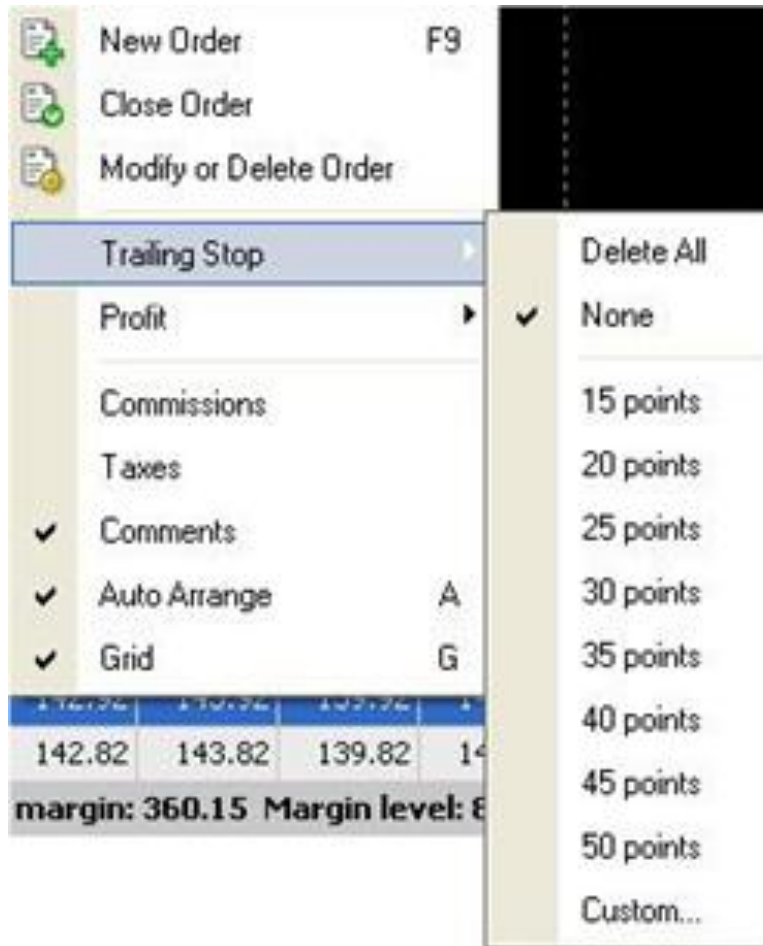
You set the Stop Loss for a short position at 109.365 while the market price is at 1.09322. If you activate the Trailing Stop Loss it will trail the price at the same pip distance if the price moves away from the Stop Loss and will remain unchanged if the market price moves closer



So if you set a trailing stop with a 6 pip limit as the price goes down the stop will always be 6 pips away from the current price however if the price moves back up towards your stop it will stay in position.

## How to setup

Most brokers have the option to choose between regular and trailing stop on the order ticket (see my CMC ticket above), however MT4 users will find the option by right clicking on a regular order. Simply choose the pip value and voila, you have a trailing stop to lock in those profits.



## How to use

My personal preference is to leave regular stop loss in place until my trade is 8-10 pips up at which stage I switch to a trailing stop starting at breakeven or 1-2 pips in profit, if the move is potentially a big one I may switch back to a regular stop once I see price break a certain structure level (fib or support/resistance) and leave my stop slightly below/above to allow the trade enough space to play in the new structure while locking in the profits from the previous level.

Happy Trading

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