Market Execution Guide

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This guide explains, in simple language, how market prices work, how trades are processed on MT5, what a tick price means, how default MT5 charts are built, and why an execution price can differ from the visible candle price during high-volatility market conditions.

It is a general educational document. It does not refer to any individual account or trade.

QUICK FACTS	
Typical DMA Capitals spread example	25 pips under normal conditions
Stop-Out level	2% margin level
Important platform note	Default MT5 candlesticks are built from Bid prices
Key execution rule	SELL positions close on Ask; BUY positions close on Bid
High-impact news examples	FOMC Economic Projections, FOMC Statement, FOMC Press Conference

01 How a market quote works

Every tradable instrument has two prices at the same time:

Bid	The price at which you can sell to the market.
Ask	The price at which you can buy from the market.
Spread	The difference between Ask and Bid.

> For educational purposes, this guide describes DMA Capitals with a 25-pip spread under normal market conditions. The live spread is market-driven, though. During fast or illiquid conditions, especially around major economic announcements, the spread can widen significantly because available liquidity changes in real time.

In practical terms:

ACTION	PRICE USED
Open a BUY	Ask
Close a BUY	Bid
Open a SELL	Bid
Close a SELL	Ask

02 Tick prices and how MT5 charts are built

A tick is a single market update. Every time the market changes, the platform can receive a new Bid price, a new Ask price, or both. These updates can happen many times in one second.

A candlestick chart does not display every single tick. It compresses many ticks into one candle for the selected timeframe. On a 1-minute chart, for example, one candle summarises:

CANDLE VALUE	MEANING ON A 1-MINUTE CHART
Open	The first Bid price received in that minute
High	The highest Bid price received in that minute
Low	The lowest Bid price received in that minute
Close	The last Bid price received in that minute

> By default, the standard MT5 candlestick chart is a Bid chart. The visible candle high and low usually reflect the Bid side of the market, so the Ask side can move above the visible candle high without appearing on the chart unless an Ask line is enabled.

03 How trades are processed, and how Stop-Out works

When you send an order in MT5, the platform checks the symbol, lot size, available margin, and the best currently executable market price. If the requested price is no longer available, the trade is filled at the next available price. This is why fast markets can produce slippage or different execution prices.

Pending orders and stops trigger on the side of the market they trade on:

ORDER TYPE	TRIGGER SIDE	WHY
BUY Stop / BUY Limit	Ask	A BUY opens on Ask
SELL Stop / SELL Limit	Bid	A SELL opens on Bid
Stop Loss on a BUY	Bid	A BUY closes on Bid
Stop Loss on a SELL	Ask	A SELL closes on Ask

DMA Capitals offers a 2% Stop-Out level. If your margin level falls to approximately 2%, the system may begin closing positions automatically to protect the account from falling further below minimum requirements.

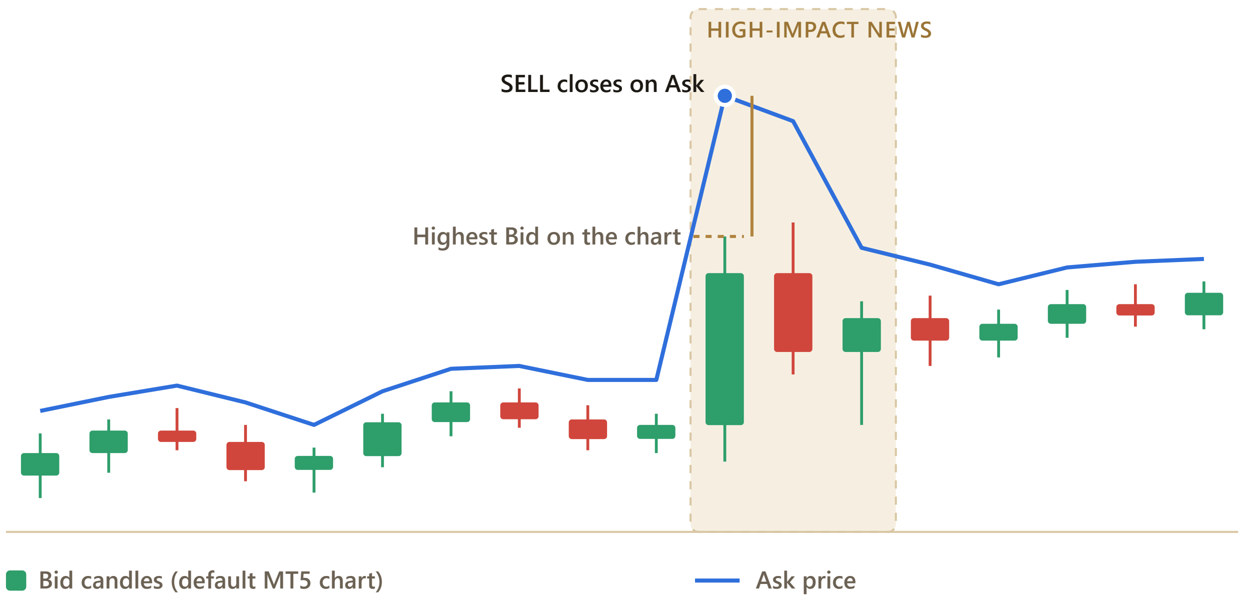
> Margin level = (Equity ÷ Used Margin) × 100

ILLUSTRATIVE EXAMPLE	VALUE
Balance	1,000 USD
Used Margin	500 USD
Equity after floating loss	10 USD
Margin level	(10 ÷ 500) × 100 = 2%
System action	Positions can be stopped out automatically

A 2% Stop-Out level gives positions the most possible room to stay open before automatic liquidation. It is not a guarantee against loss: in highly volatile conditions, once the margin level reaches Stop-Out, positions may close very quickly at the then-current market price.

04 Why the chart and the execution price can differ during news

High-impact events can cause large price changes, thinner liquidity and rapid spread widening. Examples include the FOMC Economic Projections, the FOMC Statement and the FOMC Press Conference. During such events, market quotes can change in milliseconds.



How to read the example above:

- The candlesticks are the Bid prices MT5 uses for its default chart.
- The line above them is the Ask price, which is what closes a SELL position.
- During the highlighted news period the spread widens sharply, so the Ask can move well above the visible Bid candle high.
- That is why a SELL position can be closed at a price that never appears on the default Bid candle.

> In short: the chart is not wrong. It is showing one side of the market (Bid), while trade execution may depend on the other side (Ask).

05 Practical guidance for safer trading during news

No broker can fully control the spread when market liquidity changes suddenly. When high-impact news is released, spreads may widen beyond normal conditions, and using maximum margin with large positions increases the risk of Stop-Out.

- Avoid opening very large trades during high-impact news if account equity is limited.
- Do not use maximum margin on a small balance — even a temporary spread widening can sharply reduce margin level.
- Remember that a SELL position is sensitive to the Ask price when it closes, and a BUY position to the Bid price.
- Check the economic calendar before trading major events such as rate decisions, FOMC releases, CPI and NFP.
- Use risk management that assumes spreads and execution prices can change quickly in fast markets.

06 Five key points to remember

- There are always two prices in the market: Bid and Ask.
- Default MT5 candles usually show Bid prices, not every Ask tick.
- A SELL closes on Ask and a BUY closes on Bid.
- DMA Capitals uses a 25-pip spread example in normal conditions, but spreads can widen during news and low liquidity.
- A 2% Stop-Out level gives positions room to stay open, but large trades during high-impact news can still be stopped out.

This guide is designed to improve understanding of market execution. Always review contract specifications, margin requirements and trading conditions before trading.