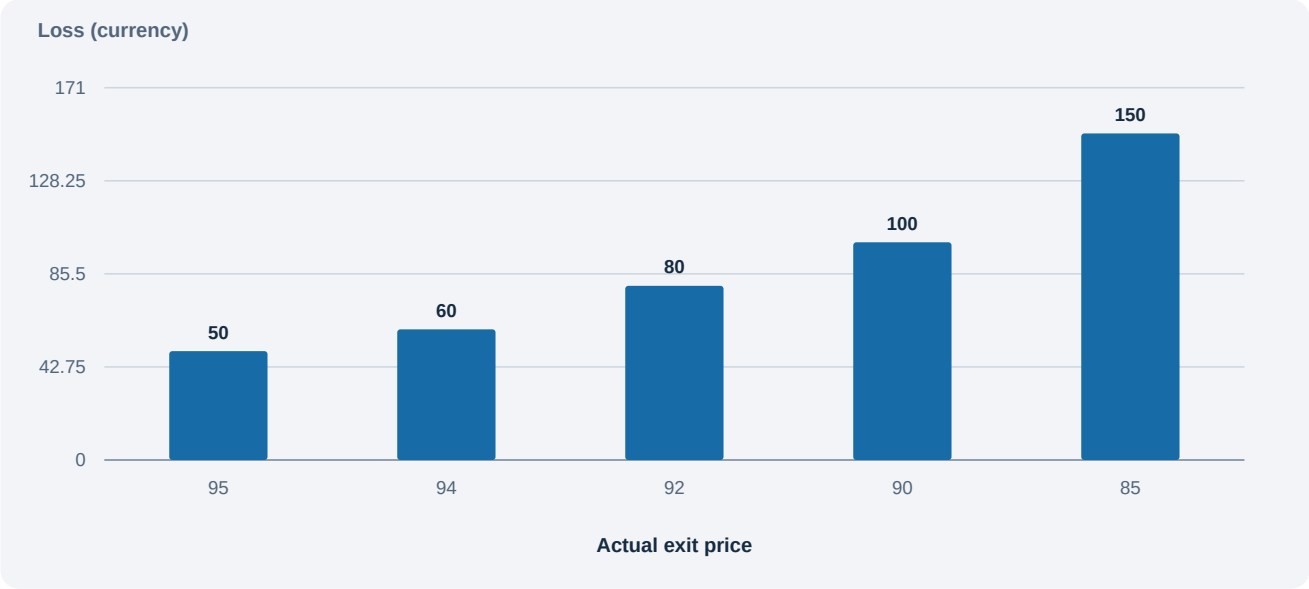
Loss beyond a stop level

Risk and sizing | Original synthetic example | Edition 2026-11-26

A stop instruction does not fix the eventual execution price. An opening gap or thin market can turn a planned stop loss into a larger realized loss.

FORMULA Long loss = units x (entry - actual exit)

SCENARIO 01: Long 10 units at 100; stop trigger 95



WORKED EXAMPLE

An exit at 92 loses 80, versus planned loss 50 at the stop trigger.

COMMON MISTAKE

Using the stop trigger price as a guaranteed fill price understates adverse execution.

BEFORE YOU USE THE CALCULATION

1. Separate trigger and fill prices.
2. Calculate planned and stressed loss.
3. Check overnight event exposure.

COMPARE TWO MORE INPUT SETS

Scenario 05: Long 30 units at 140; stop trigger 135. An exit at 132 loses 240, versus planned loss 150 at the stop trigger.

Scenario 10: Long 55 units at 190; stop trigger 185. An exit at 182 loses 440, versus planned loss 275 at the stop trigger.

Synthetic values are not historical market data. Educational material; trading can result in substantial losses.