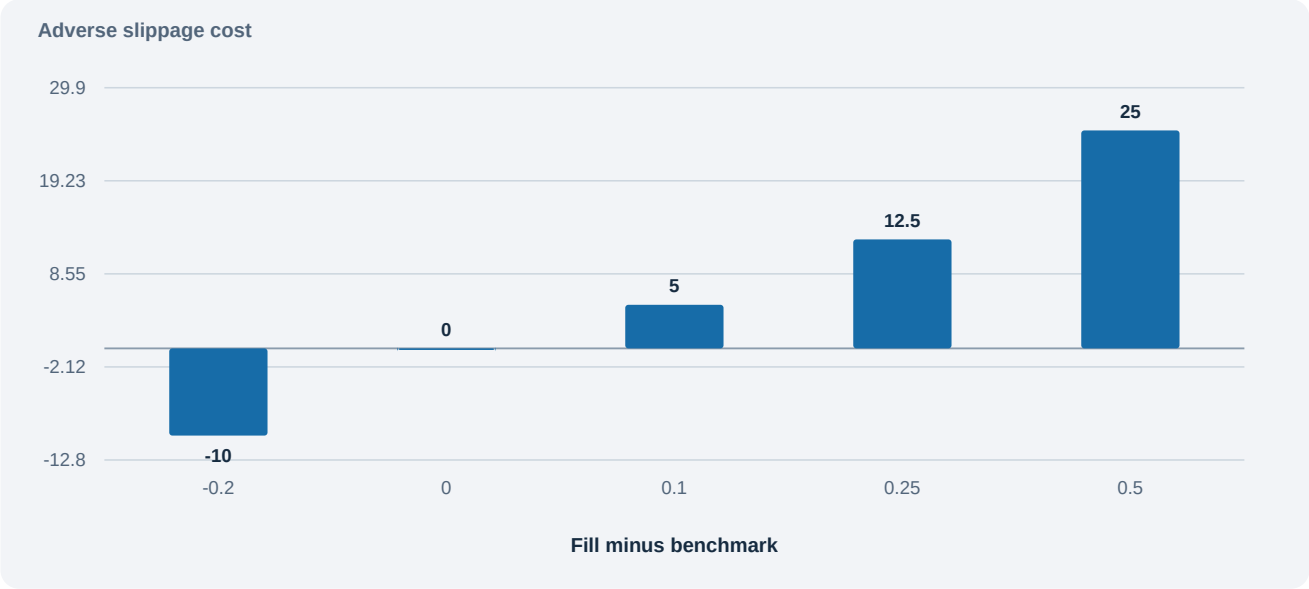
Adverse slippage per fill

Execution arithmetic | Original synthetic example | Edition 2026-11-26

Slippage measures the difference between a benchmark price and the actual fill. Direction matters: a higher buy fill or lower sell fill is adverse under this convention.

FORMULA Adverse buy slippage = fill price - benchmark price

SCENARIO 01: Buy 50 units; negative means price improvement



WORKED EXAMPLE

A buy fill 0.1 above the benchmark adds 5 currency of adverse slippage on 50 units.

COMMON MISTAKE

Comparing fills with a later favorable quote creates a benchmark that was unavailable at the decision time.

BEFORE YOU USE THE CALCULATION

1. Timestamp the benchmark.
2. Use direction-aware signs.
3. Aggregate with executed quantities.

COMPARE TWO MORE INPUT SETS

Scenario 05: Buy 150 units; negative means price improvement. A buy fill 0.1 above the benchmark adds 15 currency of adverse slippage on 150 units.

Scenario 10: Buy 275 units; negative means price improvement. A buy fill 0.1 above the benchmark adds 27.5 currency of adverse slippage on 275 units.

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