

# "Triggered But NOT Executed"

## Stop-Loss Diagnostic Checklist

Spread Check · Buffer Rule · Volatility Warning · SL vs SL-M Decision Guide

KEYWORDS: stop loss not triggered | stop loss order not executed | trigger price not working | SL-M vs SL | Zerodha stop loss troubleshooting

### SCENARIO:

Your stop-loss trigger price was hit but your order was NOT executed (or filled at a terrible price). Work through each section below.

### CHECK 1 | SPREAD CHECK — Was your limit price inside the spread when triggered?

#### UNDERSTAND THE SPREAD

**Bid-Ask spread = gap between highest buy & lowest sell**

If spread is 95.00 bid / 95.20 ask and your sell limit = 95.10, it CAN fill. If spread widens to 94.80/95.30 at trigger — it WON'T.

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#### CHECK SPREAD AT TRIGGER TIME

**Was your limit price between bid & ask when triggered?**

High-volatility moments (news, open/close) spread widens dramatically. Your limit may be stale vs the new spread.

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High-volatility moments (news, open/close) spread

#### FIX: WIDEN YOUR BUFFER

**Set limit slightly worse than trigger to allow fill**

For SELL SL: set limit 0.5-1% below trigger. For BUY SL: set limit 0.5-1% above trigger. This absorbs normal spread.

normal spread.

SL: set limit 0.5-1% above trigger. This absorbs

For SELL SL: set limit 0.5-1% below trigger. For BUY

### CHECK 2 | BUFFER RULE — Is the gap between trigger and limit price adequate?

#### THE BUFFER RULE

**Buffer = |Trigger Price - Limit Price|**

For SELL SL (long protection):

Limit = Trigger - Buffer

Trigger &gt;= Limit (required)

For BUY SL (short protection):

Limit = Trigger + Buffer

Limit &gt;= Trigger (required)

#### BUFFER SIZING GUIDE

Stock Type	Recommended Buffer
Large-cap liquid	0.1% – 0.3% of trigger
Mid-cap	0.3% – 0.5% of trigger
Small-cap/illiquid	0.5% – 1.0% of trigger
High-volatility	> 1% or use SL-M
Index options	3-5 points minimum

### CHECK 3 | VOLATILITY WARNING — Did a gap or flash-crash jump over your stop?

#### OVERNIGHT GAP

Stock closes at 100, news breaks overnight, opens at 88. Your sell SL at Trigger 95 / Limit 94.50 fires — but no bid exists above 94.50. ORDER STAYS PENDING.

#### INTRADAY FLASH CRASH

Circuit breaker or panic selling causes price to jump from 100 to 92 in milliseconds. Trigger fires but limit is skipped. Exits only if SL-M is used.

#### SOLUTION

Use SL-M for gap-prone stocks &amp; overnight positions. Accept slippage as cost of guaranteed exit. For SL, widen limit buffer significantly beyond normal spread.

### CHECK 4 | SL vs SL-M DECISION — Which order type should you have used?

CONDITION	USE SL (Limit)	USE SL-M (Market)
Stock is Nifty 50 / large-cap liquid	Preferred — set tight buffer (0.1%)	Also fine — minimal slippage
Stock is mid/small-cap illiquid	Risky — limit may never fill	Preferred — guarantees exit
Holding overnight / across events	Very risky — gap can skip limit	Strongly preferred
Intraday scalp / tight range	Good — controls execution price	Avoid — slippage kills P&L
High volatility / news-driven	Only with very wide buffer	Preferred — exit certainty