

The 30-Minute Breakout Strategy

The 30-Minute (First Half-Hour) Breakout Strategy

Once the Market moves in **either direction off of the OPEN** and penetrates **UP through the HIGH** or **DOWN through LOW** of the **First 30 Minute RANGE**, a new **TREND** potentially begins in the direction of the penetration.

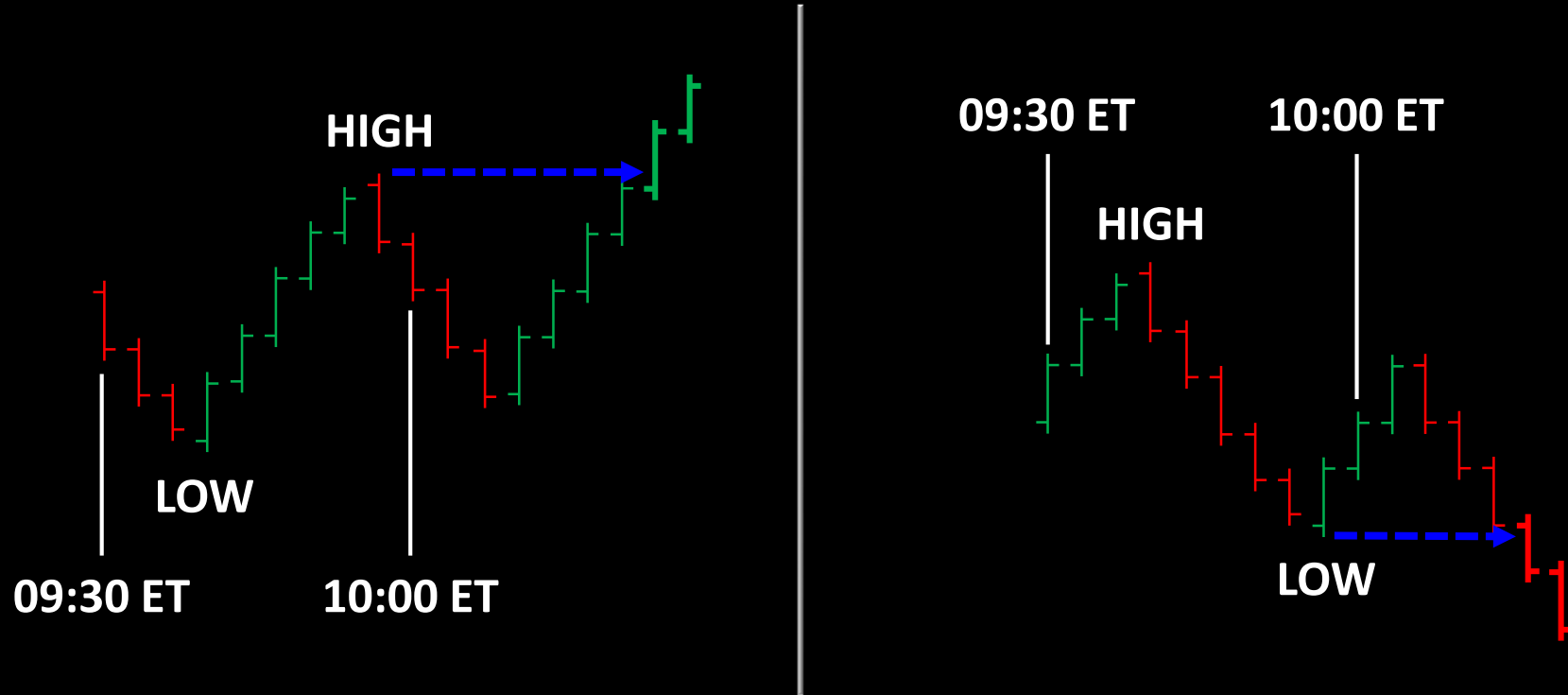
BUY Entry: If the Highest **HIGH of the First 30 Minutes** is penetrated...

- **BUY the Market...** Use a **BUY STOP** order to enter **LONG**.

SELL Entry: If the Lowest **LOW of the First 30 Minutes** is penetrated...

- **SELL the Market...** Use a **SELL STOP** order to enter **SHORT**.

The 30-Minute (First Half-Hour) Breakout Strategy



DO NOT ENTER the Market with a BUY STOP or a SELL STOP on **.00's** or **.50's**, but rather on **.25's** and **.75's**.

Coming Into A New Day

Now that you understand the fundamentals of **The 30 Minute Breakout Strategy**, it's imperative to discuss **how we view the Price Action for the first one hour** (9:30am ET to 10:30am ET) so that we can stack the probabilities in our favor before we trade.

As you have already learned, **The Simple Truth About Trends** is based on the **upside penetration of market HIGHS** and the **downside penetration of market LOWs**. **When Coming Into A New Day**, I suggest using yesterday's price action and continue the **TREND** from the **Prior Day** for at least the first hour of trading.

In order to begin the **TREND** on an intraday basis, I suggest using the **RANGE** of the first half-hour. I call this the **First 30-Minute Range**.

First 30-Minute Range (9:30 to 10:00am ET) – Helps Set the *Tone of the Day*

The **First 30 Minutes to One Hour** helps “*set the tone*” for the day’s trading. Therefore, during the **first half-hour** of trading, **SIT, WATCH, and WAIT** until the market...

- **penetrates UP through the HIGH of the First 30-Minutes.**

When you continue the TREND from the Prior Day...

- if the market is in an **UPTREND**, then assume the **UPSIDE** penetration of the **HIGH** is a continuation of the **UPTREND** and **trade the 30-Minute Breakout Strategy**.
- if the market is in a **DOWNTREND**, then continue to **SIT, WATCH, and WAIT** for the market to confirm an **UPTREND**.

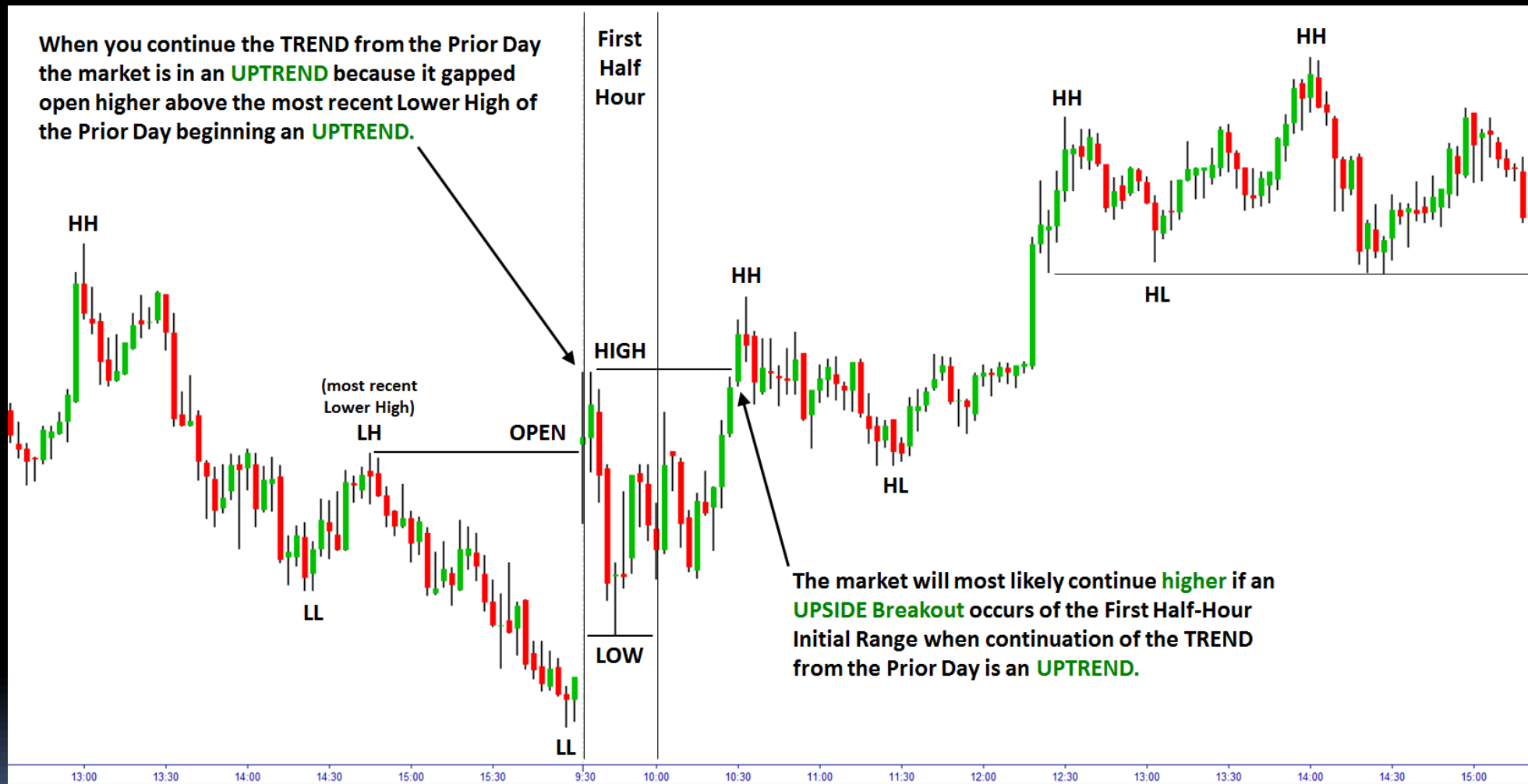
- **penetrates DOWN through the LOW of the First 30-Minutes.**

When you continue the TREND from the Prior Day...

- if the market is in a **DOWNTREND**, then assume the **DOWNSIDE** penetration of the **LOW** is a continuation of the **DOWNTREND** and **trade the 30-Minute Breakout Strategy**.
- if the market is in an **UPTREND**, then continue to **SIT, WATCH, and WAIT** for the market to confirm a **DOWNTREND**.

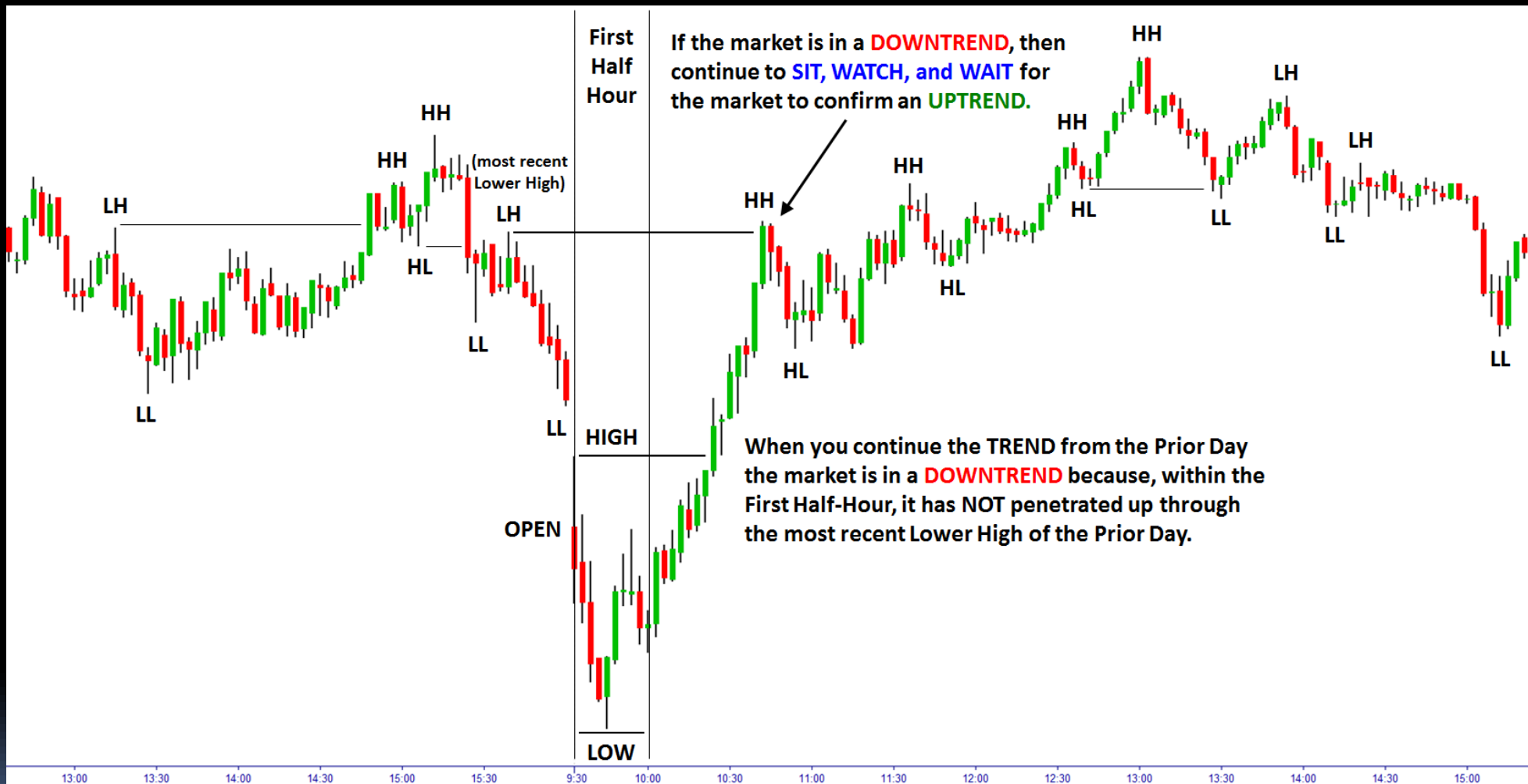
First 30-Minute Range UPSIDE BREAKOUT

When you continue the TREND from the Prior Day the market is in an **UPTREND** because it gapped open higher above the most recent Lower High of the Prior Day beginning an **UPTREND**.

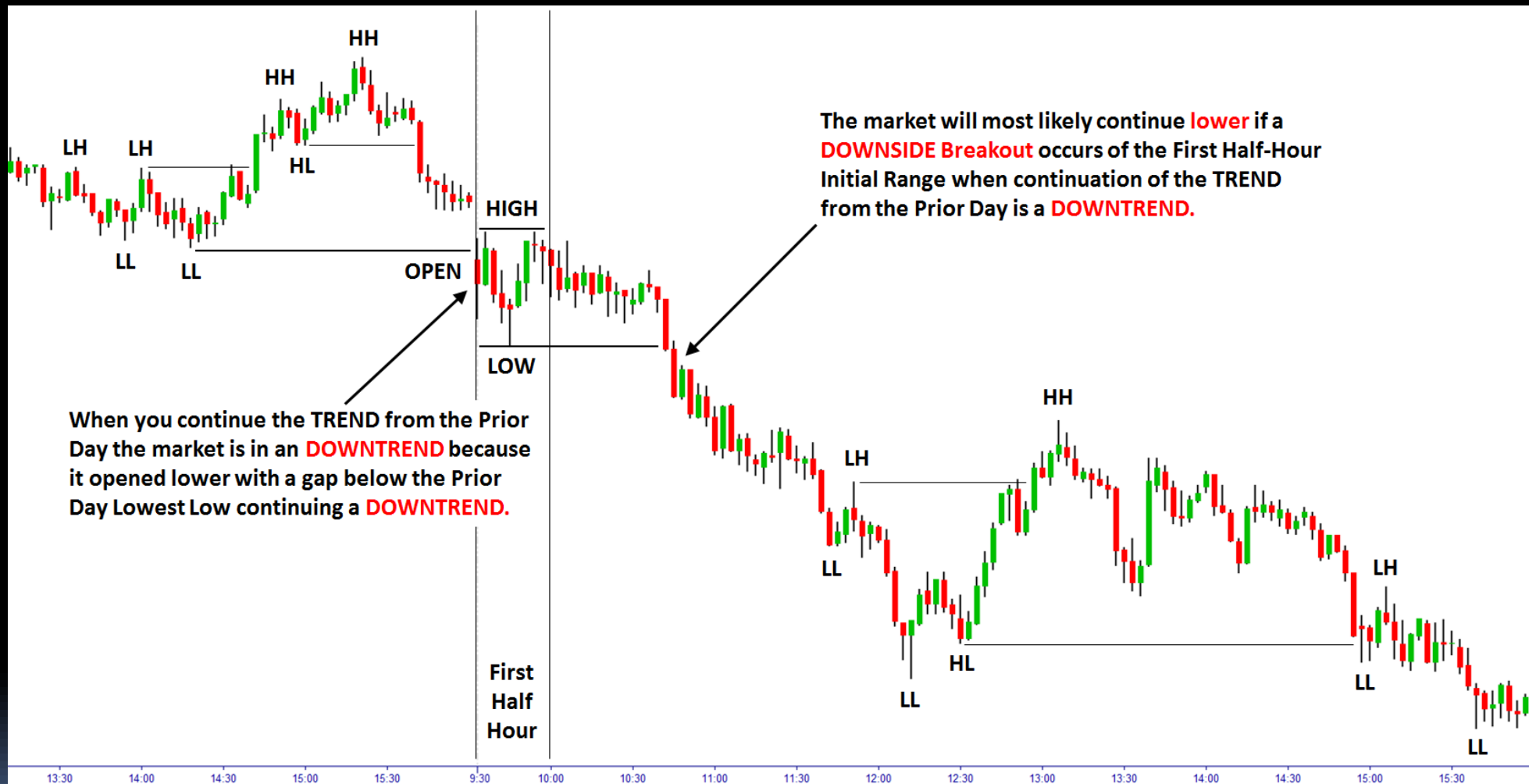


The market will most likely continue **higher** if an **UPSIDE Breakout** occurs of the First Half-Hour Initial Range when continuation of the TREND from the Prior Day is an **UPTREND**.

First 30-Minute Range UPSIDE BREAKOUT



First 30-Minute Range DOWNSIDE BREAKOUT



The 30-Minute Breakout Strategy (BUY Entry)

Once the **HIGH** of the First Half-Hour has been **penetrated to the UPSIDE**, look to...

- **BUY** the market on a **BREAKOUT** one to two ticks (on .25's or .75's) **ABOVE** the **HIGH** of the First Half-Hour.

Initial Stop Loss (ISL)

The **Initial Stop Loss (ISL)** needs to be...

- placed slightly **BELOW** the **LOW** of the Price Bar or Candlestick that penetrated **UP** through the **HIGH** of the First Half-Hour, or
- placed slightly **BELOW** the most recent **Pivot Low (PL)**, whichever is **LOWER**.

The 30-Minute Breakout Strategy (Trade Management)

Profit Objectives (POs)

Three **logical Profit Objectives** whenever you are looking to **BUY the market on a BREAKOUT** above the HIGH of the First Half-Hour:

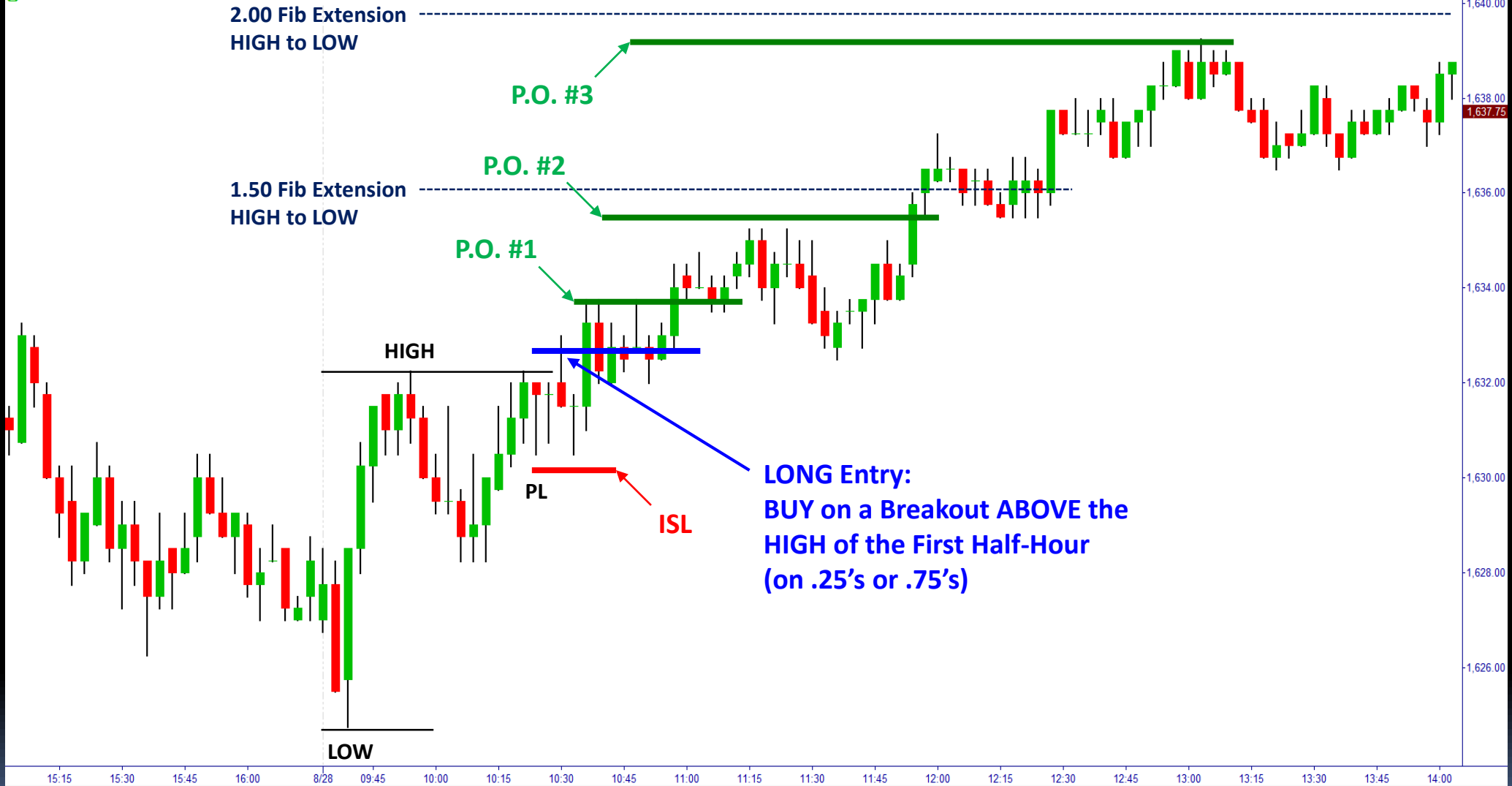
- **Profit Objective #1 (P.O.#1)** is **1.00 ES Point ABOVE** from where you bought LONG the market.
- **Profit Objective #2 (P.O.#2)** is **slightly BELOW the 1.50 Fibonacci Extension of the Total Range** (the HIGH minus the LOW) of the First Half-Hour.
- **Profit Objective #3 (P.O. #3)** is **slightly BELOW the 2.00 Fibonacci Extension of the Total Range** (the HIGH minus the LOW) of the First Half-Hour.

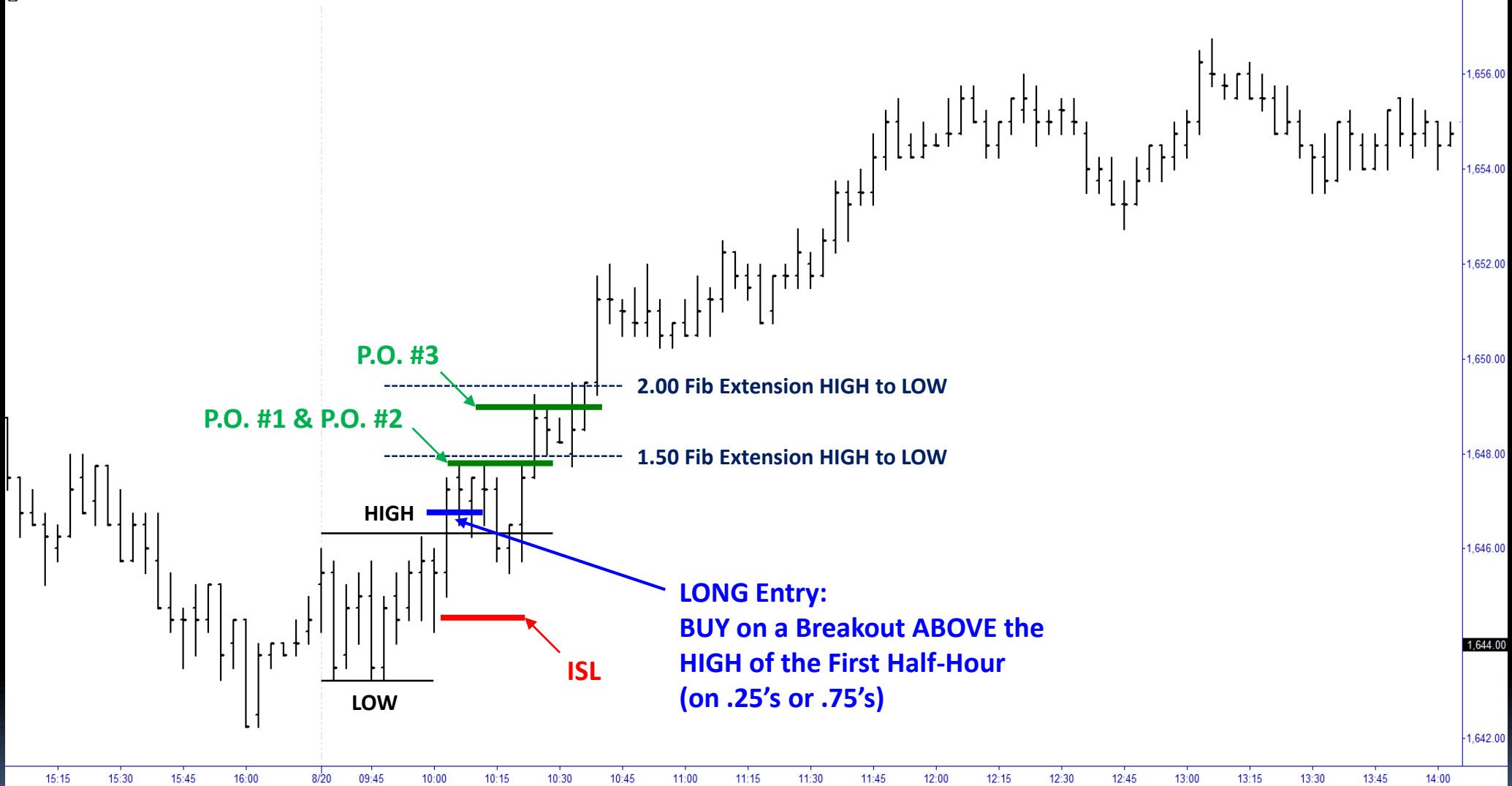
The 30-Minute Breakout Strategy (Trade Management)

Logical Trailing Stop (TS)

- **Trailing Stop (TS)**: As each consecutive Price Bar or Candlestick makes a New High, continue to **move a Trailing Stop UP to slightly BELOW the LOW** of each consecutive Price Bar or Candlestick.

If any of the **Powerful Price Patterns** form while you are in a trade, **IMMEDIATELY bring your STOP UP** to slightly BELOW the LOW of the **Powerful Price Pattern**. This remains true the whole time that you are in a trade.





The 30-Minute Breakout Strategy (SELL Entry)

Once the **LOW** of the First Half-Hour has been **penetrated to the DOWNSIDE**, look to...

- **SELL the market on a BREAKOUT** one to two ticks (on .25's or .75's) **BELOW the LOW** of the First Half-Hour.

Initial Stop Loss (ISL)

The **Initial Stop Loss (ISL)** needs to be...

- placed slightly **ABOVE the HIGH** of the Price Bar or Candlestick that penetrated **DOWN** through the **LOW** of the First Half-Hour, or
- placed slightly **ABOVE the most recent Pivot High (PH)**, whichever is **HIGHER**.

The 30-Minute Breakout Strategy (Trade Management)

Profit Objectives (POs)

Three logical Profit Objectives whenever you are looking to **SELL the market on a BREAKOUT** below the LOW of the First Half-Hour:

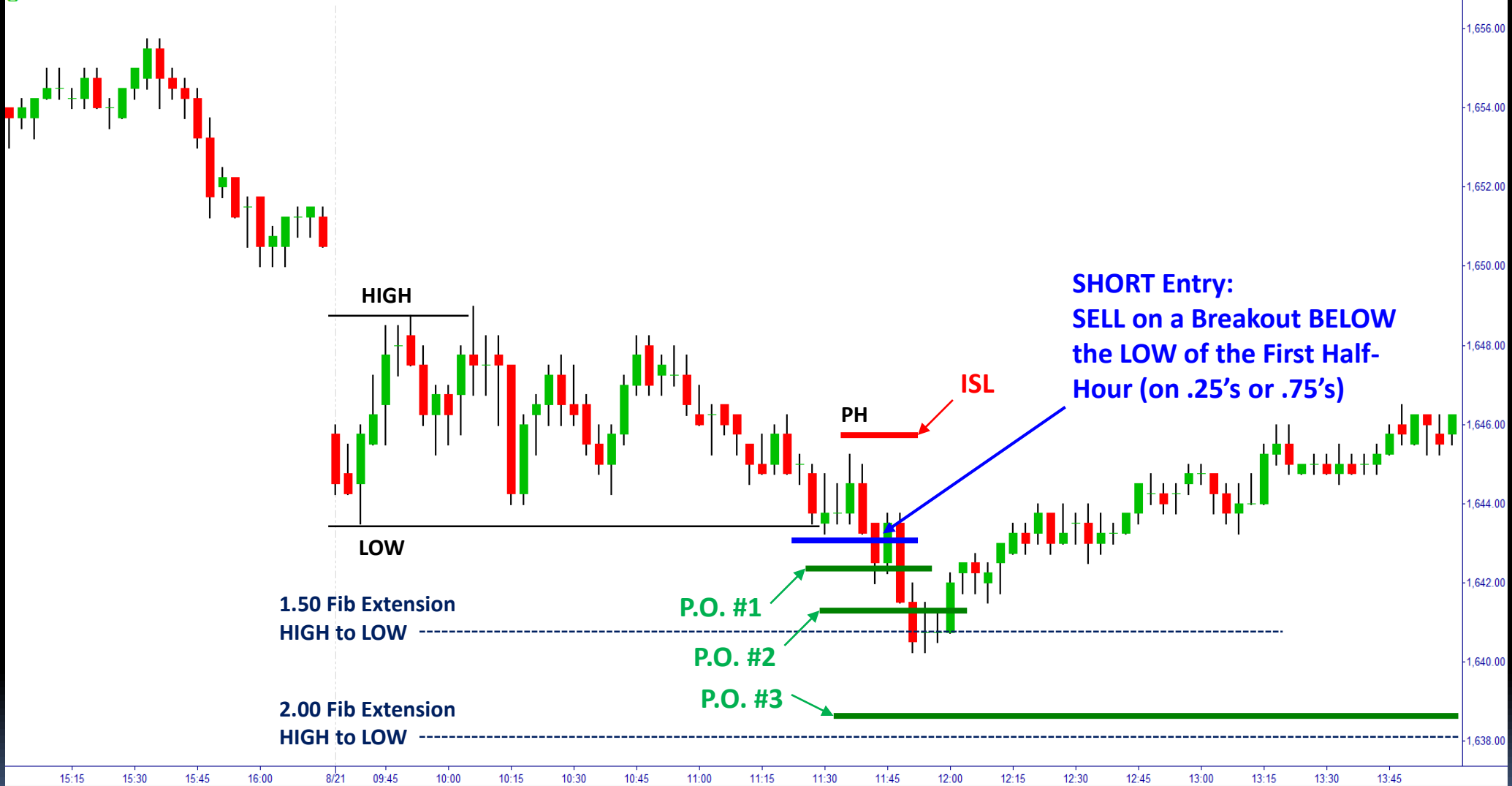
- Profit Objective #1 (P.O.#1) is **1.00 ES Point** BELOW from where you sold SHORT the market.
- Profit Objective #2 (P.O.#2) is slightly ABOVE the **1.50 Fibonacci Extension** of the **Total Range** (the HIGH minus the LOW) of the First Half-Hour.
- Profit Objective #3 (P.O. #3) is slightly ABOVE the **2.00 Fibonacci Extension** of the **Total Range** (the HIGH minus the LOW) of the First Half-Hour.

The 30-Minute Breakout Strategy (Trade Management)

Logical Trailing Stop (TS)

- **Trailing Stop (TS):** As each consecutive Price Bar or Candlestick makes a New Low, continue to **move a Trailing Stop DOWN to slightly ABOVE the HIGH** of each consecutive Price Bar or Candlestick.

If any of the **Powerful Price Patterns** form while you are in a trade, **IMMEDIATELY bring your STOP DOWN** to slightly ABOVE the HIGH of the **Powerful Price Pattern**. This remains true the whole time that you are in a trade.





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