Breakout Strategy Cheatsheet

For more information, visit www.bettersystemtrader.com/43

1. Point of Initiation (POI) - a starting point for the distance

- Yesterday's Close
- Today's Open
- Lowest Open/High/Low/Close for the last x days or x days ago
- Highest Open/High/Low/Close for the last x days or x days ago
- Moving Averages
- Pivot Points
- Retracement levels
- Any of the ideas above using different timeframes

2. Distance - how far from the POI to enter a trade

- Multiple of Average True Range (ATR)
- Multiple of True Range (TR)
- Multiple of the difference between 2 moving averages
- Difference between Highest High and Lowest Low
- Difference between Swing High and Low

3. Time Filter - the best time of day to enter a trade

- Segment 1: 09:30 – 11:45
- Segment 2: 11:45 – 14:00
- Segment 3: 14:00 – 16:15

4. Additional Filters - define market conditions

- Price Action filters
    - Close <> Open/High/Low/Close of the previous or current day
    - Close <> Open/High/Low/Close for the last x days/bars or x days/bars ago

- Volume filters
    - Volume <> absolute value
    - Volume <> Moving Average of Volume
    - Highest/lowest Volume over a specific period

- Volatility filters
    - ATR <> absolute value
    - Compare short term ATR to longer term ATR
    - Highest/lowest Volatility over a specific period

- Trend filters
    - Close <> Moving Average
    - Comparing two Moving Averages
    - Distance from a Moving Average
    - DMI
    - ADX

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