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.
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.
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

If the market is in a **DOWNTREND**, then continue to **SIT, WATCH, and WAIT** for the market to confirm an **UPTREND**.

When you continue the **TREND** from the Prior Day, the market is in a **DOWNTREND** because, within the First Half-Hour, it has NOT penetrated up through the most recent **Lower High** of the Prior Day.
First 30-Minute Range DOWNSIDE BREAKOUT

The market will most likely continue lower if a DOWNSIDE Breakout occurs of the First Half-Hour Initial Range when continuation of the TREND from the Prior Day is a DOWNTREND.

When you continue the TREND from the Prior Day the market is in an DOWNTREND because it opened lower with a gap below the Prior Day Lowest Low continuing a DOWNTREND.
First 30-Minute Range DOWNSIDE 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.

If the market is in an UPTREND, then continue to SIT, WATCH, and WAIT for the market to confirm a DOWNTREND.
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.
2.00 Fib Extension
HIGH to LOW

1.50 Fib Extension
HIGH to LOW

P.O. #1

P.O. #2

P.O. #3

LONG Entry:
BUY on a Breakout ABOVE the HIGH of the First Half-Hour (on .25’s or .75’s)
LONG Entry:
BUY on a Breakout ABOVE the HIGH of the First Half-Hour (on .25’s or .75’s)
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.
SHORT Entry: SELL on a Breakout BELOW the LOW of the First Half-Hour (on .25’s or .75’s)
SHORT Entry: SELL on a Breakout BELOW the LOW of the First Half-Hour (on .25’s or .75’s)
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