5-Minute Opening Range Breakout (ORB)

Opening Range Breakout: Price breaks out of the opening range of the previous candle. The upper and lower boundaries of the range can be defined by the high and low of the first 5-minute candle.

Time: 9:35

Conditions:

- High volume, gapped up/down stocks.
- Clean price action on the 1-minute chart in the first 5-minutes.
- Stock opens near VWAP.
- Opening range significantly lower than ATR.

Entry Signal:

- Enter as stock is breaking the opening range.
- Stock should have not moved too far from VWAP for good R:R.

Stop Loss: Loss/Break of VWAP. Stop should be tight as we should not be too extended from VWAP by this point.

Target: Daily levels, moving averages, previous day close.

Rules:

- Do not enter into a position in the same direction of a long wick. Doesn't usually go well.
- Enter on pullback **ONLY IF** stock pulls back to clear support/resistance levels.
- Place stop losses at technical levels.
- Don't stop yourself early when a winning trade starts to reverse. Take enough good partials. It feels worse to miss out on a move than it feels to stop out at breakeven.