Mountain Pass Strategy

Mountain Pass: Trend reversal pattern that is the end of one trend and the start of a new one. Not the same as a double bottom which is a momentum reversal that takes place at the open.

Time: 9:50-3:00 (Best between 10:30-2:00)

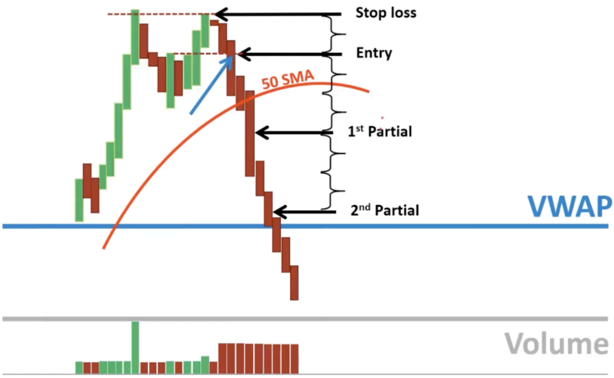
Conditions:

- Works best for mid-large float stocks.
- Works best when stocks have higher than average volume. (RVOL >100%)
- Potentially supported by similar move in the market.
- Markets neither choppy nor strongly directional.

The Setup:

1. Strong trend to new high/low of day.
2. Final push on exhausting volume.
3. Pullback 20-50% of initial move.
4. 2nd top/bottom which cannot break the high.
5. 2nd top/bottom in 5-20 time periods.
6. Drop/rise on increased volume
7. Big drop/rise at 50 SMA cross.
8. Drop/rise to VWAP and beyond.

The closer the 50 SMA is pulled in to the price action, the higher chance of success.



Entry: Break of the **second** candle after the second top/bottom. Conservative entry would be the break of the 50 SMA.

Stop Loss: Above the mountain tops for double top, below for double bottom.