



## **-Open Range Strategy-**

**What are the Open Range Parameters; why is it of importance to the Day Trader, and how do we trade it?**

### **1.) Open Range Parameters:**

- 5 min High
- 5 min Average
- 5 min Low

**\*These levels are auto calculated daily and displayed on the I-Pro360 Open Range Rotation Chart.**

### **2.) Why are the Open Range Price Levels so important to the Day Trader?**

Though the markets have become ever more global virtually trading 24 hours, the world's traders still seek direction for US stocks from the six primary hours of the US domestic trading day. From this perspective there remains 18 hours for economic analysis, earnings analysis, and inter-global decision making by the major institutional investors/traders for the next trading day. These decisions (buy/sell) made during the off hours become fully transparent at the start of the new trading session's "open range". Hence, the Open Range carries great weight for traders. It effectively is the first opportunity for all the analysis, strategies, and tactics formulated over the prior 18 hours to be actualized in the market. Open Price Principle (background). The Open Price Principle has been researched extensively and the results are nothing short of stunning. Simply put, the Open Price Principle states that the opening price will be near the high or low of that day 70 percent of the time. In other words, the opening price will be within 20% of either the high or low for that day about 70% of the time.

**\*Caution: This technique does not work every day, rather it is a tool to put probabilities on trader's side high percentage of the time.**

### **3.) How do we trade the Open Range Rotation?**

Break the 5 min High and **BUY** the pull back to the 5 min Average. Stop will go below the 5 min Low. **MUST** get RF at the 5 min High after pull back. Then you need to see progression. **Continued SOS.**

Break the 5 min Low and **SELL** the pull back to the 5 min Average. Stop will go above the 5 min High. **MUST** get RF at the 5 min Low after the pull back. Then you need to see progression. **Continued SOW.**

**\*Know the Levels and where we are as this could affect your Buy or Sell method, set your expectations, and know your Time Zones.**

