

REAL/FAKE breakouts

Description:

In this research I was analyzing which part of the week we get the most fake breakouts from the range.

Rules:

Range must be confirmed (with Fibonacci tool) and then every wick and closed candle out of the range is fake breakout. Real breakout is when candle closes outside of the range and don't come back into the range.

Example:



How I did it?

I circled every breakout from the ranges. Orange circle means fake breakout, green circle means real breakout. After that I counted how many real and fake breakouts I have. I also checked on which day real/fake breakout happened and typed that into the table below. I analyzed all main ranges from 4 Jan 2023.

Results:

BREAKOUT	FAKE	NOT FAKE	TOTAL	FAKE	NOT FAKE
MON	13	12	133	59.40%	40.60%
TUE	11	11			
WED	17	9			
THU	10	5			
FRI	19	9			
SAT	2				
SUN	7	8			
NOTES			Best day for real breakout		
Start of the week is best for break out of range trades			Monday (start of the week)		
Midweek is best for mean reversion trades			Day with the most fakes		
On Saturdays market is dead			Friday		
If market is strong breakout sometimes happen on late Sunday			Best ratio NOT FAKE:FAKE		
			Sunday, Monday		
			Worst ratio NOT FAKE:FAKE		
			Wednesday, Friday		

Summary:

Fake breakouts are more often than real ones and best time for real breakout is start of the month. Sunday is sometimes also a good day for real breakouts, probably because of CME opens. Midweek is good for mean reversion trades.