

# Opening Range Ebook/Video

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## Introduction:

I have tried to include screenshots to show visuals of the things I will be discussing. I have also included very short video links to better explain each of the sections. You will get the most out of the ebook/video course by using BOTH the text and video functions.

## What is the Opening Range?

You will find many traders doing many different things with the Opening Range. (**OPR** for short which is how I will refer to the Opening Range from the bulk of this ebook.)

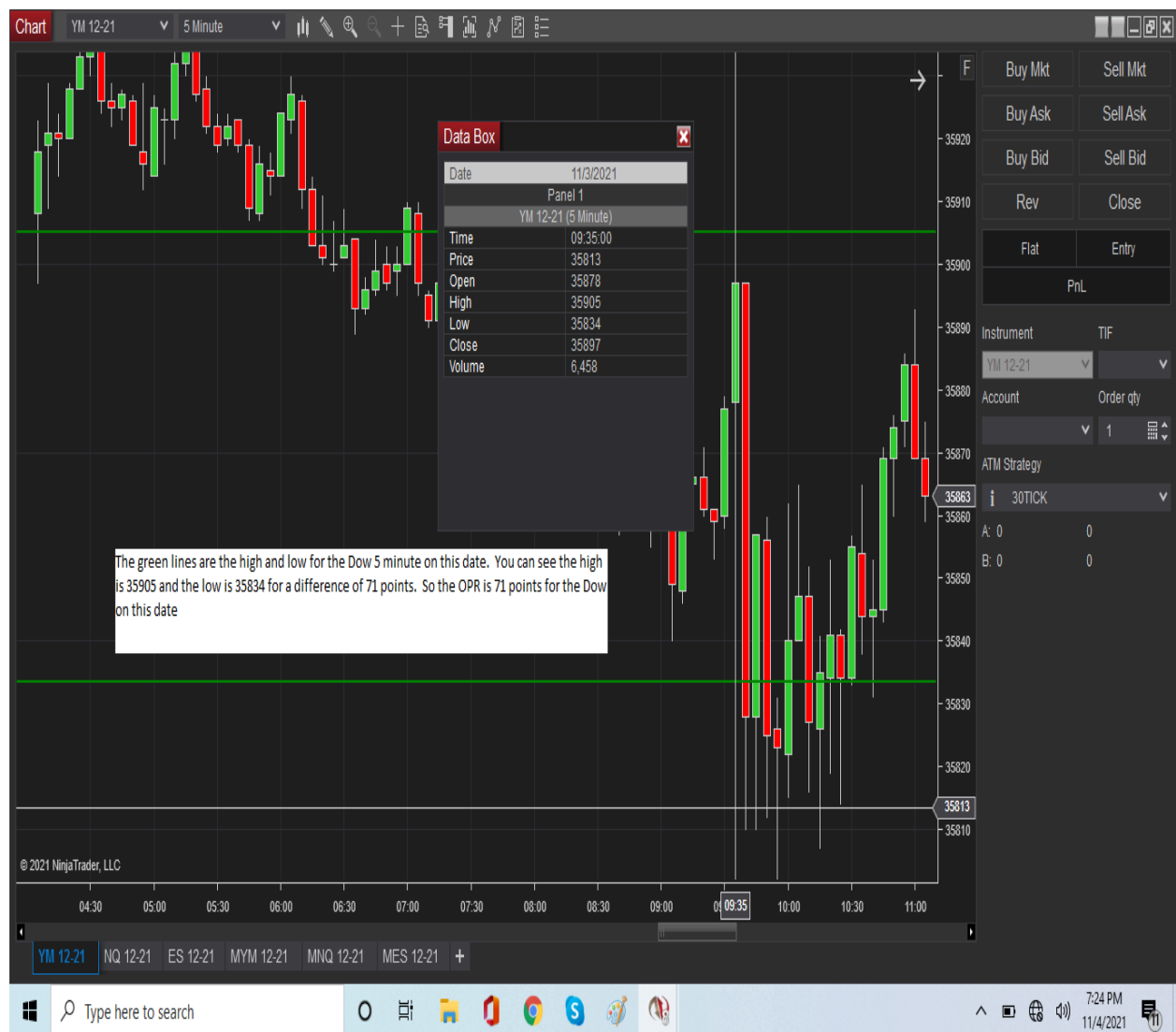
I have seen traders using as little as a 30 second opening range to as much as an hour. And there are lots of different ways people trade it. They trade based on breaking of the OPR or retracements etc.. I can't speak to every OPR idea that is out there, but what follows is the way that I use the OPR in my own trading.

This ebook will cover how I use the OPR to trade.

The US markets open at 9:30am Eastern. For the OPR I am looking for the HIGH and the LOW of the first 5 minute bar for the Dow and ES (SP). (So from 9:30am-9:34 and 59 seconds) For the Nasdaq (NQ) the opening range is 3 minutes.

Throughout this ebook I will speak about both the 3 minute and 5 minute opening ranges. Please be aware that when I am speaking of the 5 minute I am ONLY referring to the SP and the Dow. If I am speaking about a 3 minute OPR I am speaking of the NQ.

So what does it look like on a chart?



The green horizontal lines are the OPR for the Dow on this date. The high was 35905 and the Low was 35834 or a difference of 71 points. That difference between the high and the low is the OPR for the day. So 71 points is the OPR for this chart.

## [DOW INTRO VIDEO](#)

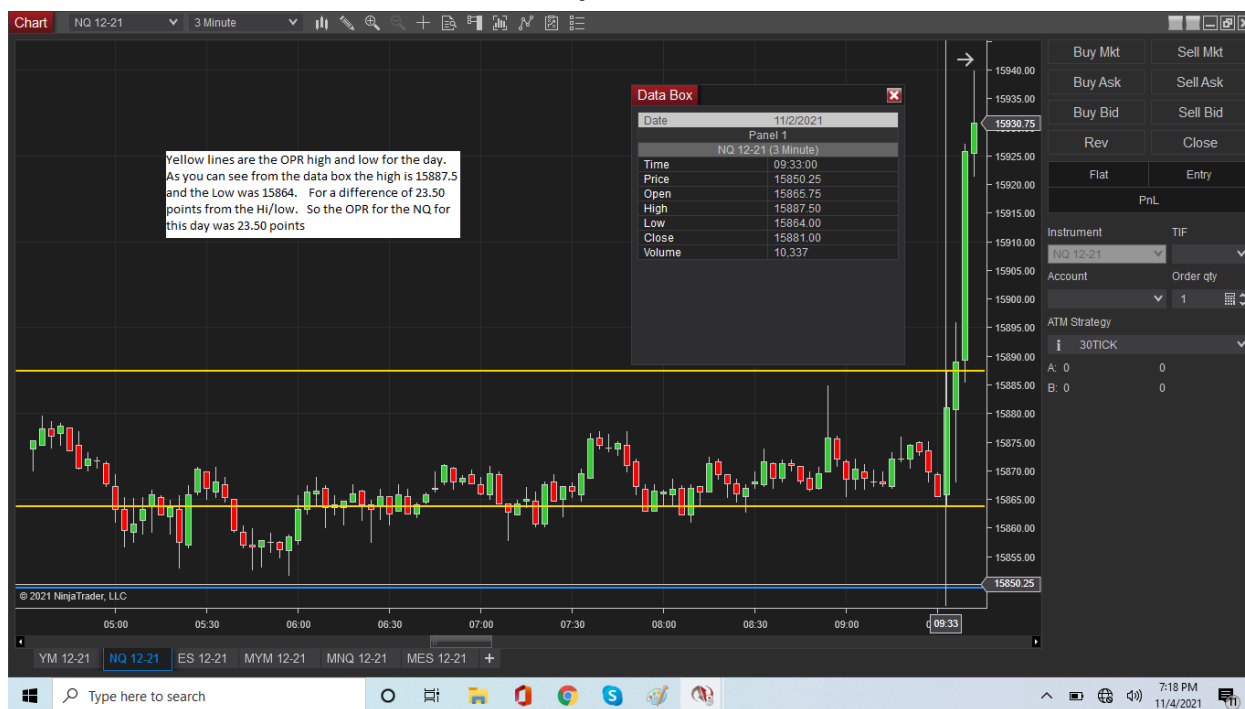
Let us briefly go over the SP/ES 5 minute OPR as well. With the SP prices are in .25 point increments. So as you can see in this chart the OPR high was 4620 and the OPR Low was 4616.25. A difference of 3.75 points for today.



## [SP/ES INTRO VIDEO](#)

Finally here is an OPR example for the NQ which goes off the 3 minute chart. It also trades in .25 of 1 point increments. Also please note that the NQ tends to move faster then the Dow/SP which is why I use a smaller time frame for the OPR.

The below screenshot will show you the OPR for the NQ on this date.



It had a 23.50 point OPR.

## [NQ INTRO VIDEO](#)

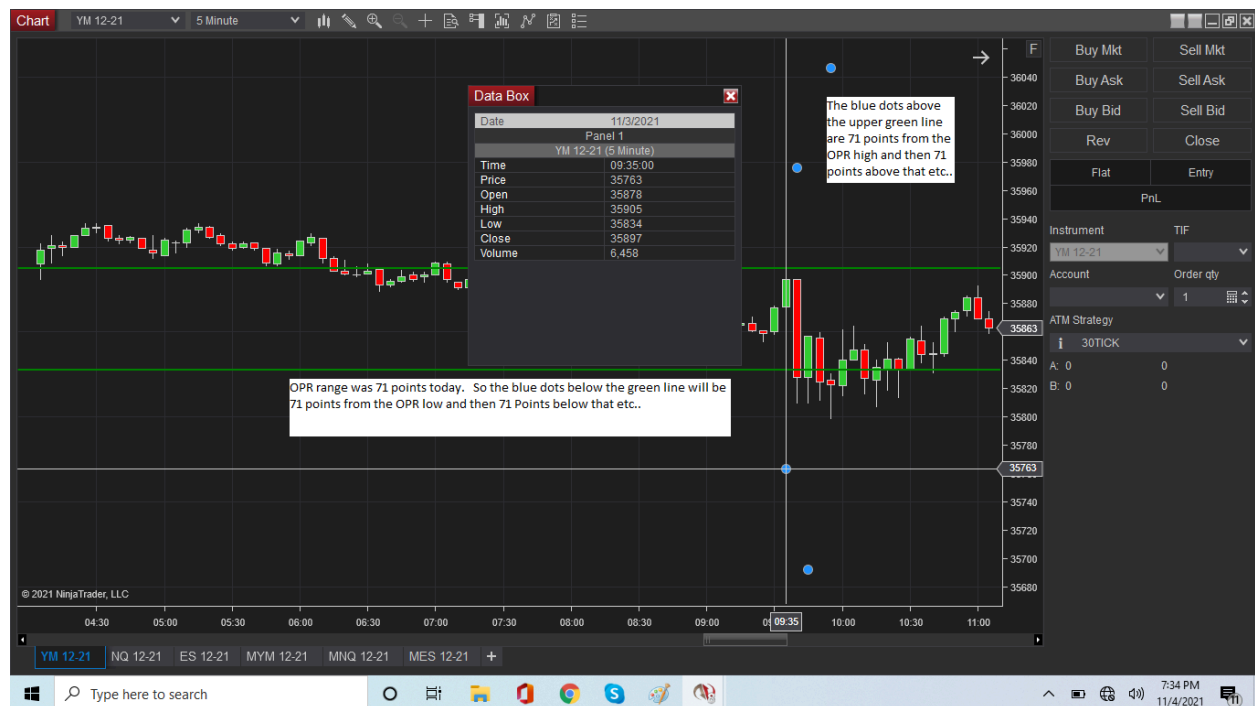
Now that we have the OPR #s for the day it's time to mark up the charts.

A couple of notes before we move on, the OPR is **NEW** each day. So the Dow could have an OPR (which is the difference between the high and low for that first 5 minutes) of 30 points one day and 130 points the next. I do leave the OPR lines on the chart each day as they can be helpful as the week progresses. (I clear all lines at the start of a new week)

In our example the high was 35905 and the Low was 35834 or a difference of 71 points. The way I like to mark up my chart is with the

blue dots (see image below), you can do whatever works for you but it is a helpful visual aid for me.

So we know the OPR is 71 points, we want to add 71 points to the OPR high and subtract 71 points from the OPR Low.



As you can see in the screenshot that blue dot above the OPR high is 71 points from the OPR high. And the blue dot below the OPR low is 71 points below the OPR low.

## [DOW PIVOT VIDEO](#)

I call these pivots or my blue dots. The idea is the markets will respect the OPR ranges and will make turns/pause/support/resistance around these pivot points.

So in simple terms if the market goes up and hits the blue dot/pivot above the OPR high it will reverse/pause and that is our time to

pounce. More on that later as far as actual trades but that is the overall concept.

So what I like to do next is put at least 2 blue dots/pivot on my chart above and below the OPR high and low. (see image above or video)

We know the OPR range is 71 points. And we know the OPR high was 35905, so our first blue dot would be 71 points ABOVE 35905 which is 35976. Our next blue dot will be 71 points above 35976 which would be 36047. And if we wanted to add a 3rd blue dot/pivot it would be 71 points above 36047. And so on and so on. Adding 71 points to the previous blue dot/pivot. (Again remember each day is NEW so tomorrow's OPR could be 44 points which in that case you would add 44 points to each pivot etc..)

Please view the screenshot and video above.

The same on the downside as well. We know that the OPR low was 35834 and we know the OPR is 71 points for today. So we subtract 71 points from 35834 and our first blue dot/pivot would be placed at 35763. Our next blue dot/pivot would be placed 71 points lower than 35763 which is 35692. And you can continue to subtract 71 points to get to the next blue dot/pivot etc...

## How to find trades

Now that we have our pivots in place, now is the time to search for a trade.

I prefer to trade when I feel I have an edge. So I refer to the trades as “most safe”. I use that term loosely as **nothing** is safe in trading.

Let me backup before we get to the trades. Let me tell you about the pivots. So the idea is blue dots/pivots are a potential stopping point/resistance/support etc...



In the screenshot you can see the market came down to the blue dot/pivot and reversed sharply after hitting the pivot. It doesn't always happen so cleanly but this is the idea. The market moved down, the length of the OPR and stopped. Not forever but in the short term.

## [PIVOT BOUNCE VIDEO](#)

I look for a 25% and 50% retracement of the OPR after it hits a blue dot/pivot. So if the OPR was 71 points for example 25% of 71 is 17.75 points. The dow moves in 1 full point increments so I round DOWN so a 25% move would be 17 points if the OPR was 71 points. For a 50% retracement I would need 35 points, which is 50% of 71 points. (Again rounding down to whole points)

So in the above video it did what “it was supposed to do”. But what about times that it doesn’t.

Well actually that is good news for us as we then have a potential to get a “most safe” trade.

### **25% Trades**

You trade ONLY after a 25% Loss. (So you don’t take that first trade you only monitor and track. And ONLY trade after a losing trade)

Example Trade 1 contract on that entry. IF it doesn’t hit your 25% TP you ADD 3 contracts at the next level. And you again look for the 25% TP. You exit all 4 contracts at that 25% TP level and you have a Breakeven Trade overall.

You see when it doesn’t respect the OPR range the first time it tends to respect it the next time. Which is why I ONLY trade after a “losing trade”.

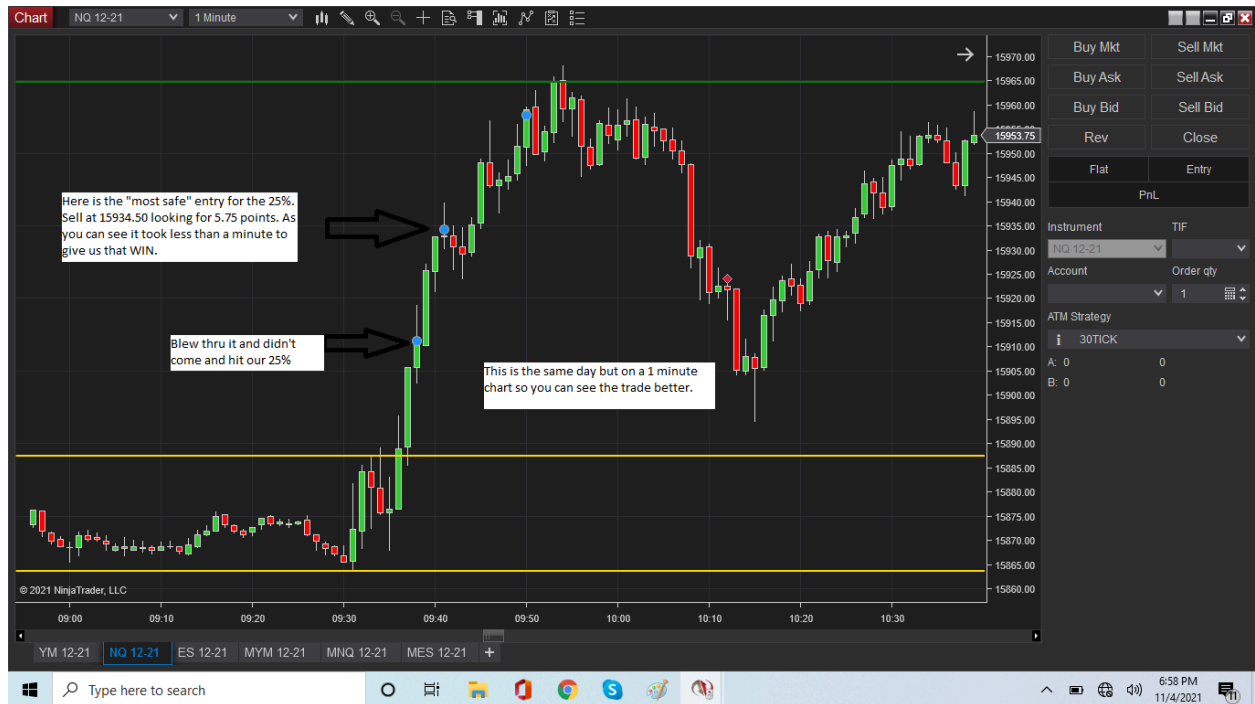




## BLOW THROUGH VIDEO

So in the above screenshot you will see an example of the NQ and it just blows through the first blue dot and doesn't seem to care.

When it does blow through it I want to be shorting (in this example) at the NEXT blue dot/pivot and looking for a 25% pull back which in this case is 5.75 points. (The OPR was 23.50 points) This is a "most safe" 25% trade.



In the screenshot you can see it was a sell at 15934.50 and easily won the trade in less than 2 minutes. (I moved the above chart to a 1 minute chart to more clearly see the entry and results) The trade won 5.75 points on the NQ which is worth \$115 per contract.

## 25% ENTRY TRADE

So I want the system to LOSE first before I have a trade. Now that DOESN'T mean the 1st trade of the day (or first blue dot/pivot) has to be a loss. It just means I won't trade until it does have a loss.

So it could win at the first blue dot/pivot, lose at the second blue dot/pivot and then I would enter at the third blue dot pivot.

What about stops you say, well I will get into that in a bit and ways to protect yourself from wild markets.

But let me get clear on the entries for the 25% trades.

First you need the OPR range and your blue dots/pivots in place. Second you need a blue dot/pivot to “lose” by lose I mean it goes through the blue dot/pivot and doesn’t hit the 25% pull back BEFORE hitting the next blue dot/pivot.

So the trade lost and you sell (if it's above the OPR high, you would buy if its below the OPR low) at the next blue dot/pivot and look for 25% pull back and EXIT. (25% of the OPR)

So where is your stop you ask?

The idea is for the market to respect the blue dots/pivots. So what you could do is place 3x the # of contracts at the next blue dot/pivot. You would still look for a 25% target and IF you hit the target you exit all of the contracts and are out with a breakeven trade for the two entries.

And if that doesn’t work you would have to do 3x or 12 contracts (if you started with 1) and again look for 25% for an exit.

I DON’T recommend that, at this point I would like to say have your OWN money management, this is a cool trade idea that can make some profits potentially but the one downside it can also blow out accounts in 1 bad day.

We will talk about what to avoid later in the ebook.

I will say using the smart things to avoid and when to trade takes care of a large majority of the issues.

Also you may want to have a set \$\$\$\$ amount each day that you are willing to risk and NO MORE. So you just exit the position, take your lumps but live to trade another day. Take a hard day but don't make it a horrible day.

### **50% trades**

Now let us talk about the 50% trades and for those who may not be willing to risk as much this is the better way to go. You will get less trades but the trades you do get will be bigger profits. You also don't have to add on a large contract size to get your breakeven point.

The way to trade the 50% idea is to wait for 2 losing trades before entering a 50% trade.

You trade ONLY after TWO 50% losing trades in a ROW. (So you don't take that first OR second trade you only monitor and track. And ONLY trade after it has lost 2 50% trades in a row)

Example Trade 1 contract on that trade. IF it doesn't hit your 50% TP. You would add 1 more contract at the next level. And you again look for the 50% TP. You exit the 2 contracts at the 50% and have a Breakeven trade.

So you look to see if the markets retraced 50% after hitting the blue dot/pivot. You need it to have 2 losses in a row before you enter on that 3rd entry.



You can see we have an OPR of 23.50 points. The market came up and hit the first pivot and never retraced the 50% (11.75 points in today's example). It then went to the 2nd blue dot/pivot and although it did retrace some (the 25% trade won) it did NOT retrace the 50% (11.75 points) that it needed to. So at that 3rd blue dot/pivot that is the 50% entry.

It gave us an entry and we exited about 6 minutes later for a 11.75 point profit or \$235 profit per contract.

## [50% ENTRY VIDEO](#)

If instead of us getting a win, it just continued higher you could add 1 additional contract (or the same # of contracts you traded in the first trade) at the next blue dot/pivot. And again look for a 50% exit. In

doing so your average entry is now at the new 50% exit area so if it gets there you end up with a breakeven trade.

### **25% AND 50% ADD CONTRACTS VIDEO**

Can it keep going? Of course but you need to decide when it's too much. What is your stopping point?

### **Things to do AND THINGS TO AVOID.**

\*Watch out for small opr's. You want to make sure you aren't dealing with a small opr. So say the markets have been wild lately and your OPR range for the NQ have been in the area of 35-45 points each day. And then suddendly you get an OPR of 19 points. Be VERY VERY careful on days like that. The market has proved to be wild in the previous days and all of sudden it's very small. You can blow accounts out real fast because it can go through those small OPR's quickly.

I personally don't trade the SP when it's under 4 points. (It means my 25% profit targets are going to be less than \$50 per contract)

### **AVOID SMALL OPR VIDEO**

\*The best time to trade is from 10am to 11am eastern. (You do get trades prior to 10am and after 11am. However, that is the best time to trade. I stop trading at 11am though you could go all

day if you want though the results aren't as good in the afternoon.

\*Be aware of the SP along for the Ride system. If you don't have that system let me know and I will send it to you. But basically it can be a helpful indicator of trending days. And since this is a trade idea that is going the opposite it is helpful to be aware of potential straight up or down days as those are the days you can get caught with no pull backs.

\*Missed 1 tick entries and 1 tick exits can really throw off your trading.

First let's talk about missing an entry by a tick. What do I mean by a tick? I mean for the NQ or SP since they are in .25 increments that .25 is a tick. Or 1 point in the Dow. So say your entry for a trade is supposed to happen at 3685.50 and the market comes down to 3685.75 it missed your entry by a tick. But then goes ahead and does what it is "supposed to do " and hits the target that you were looking for. Do you count that as a win? Or since it didn't "officially" hit your entry you don't worry about it. Missing it by a tick can really throw things off. Personally for me I am very cautious if it comes back down and hits that entry officially since it already did what I had hoped. Officially it's not a trade until it hits that entry but as far as my own trading I tend to risk less on those trades.

Second, let's talk about missing the EXIT by 1 tick. So you placed the trade and you are winning. Your profit target is 3585.50 but it only goes to 3585.25. Do you take the profit a tick early? Are you really going to risk an entire OPR size for

that 1 tick? You can do whatever you want. However what I do is if I get to 1 tick especially if it's in that first minute or two I am not going to take a loss on that trade. At the very least my stop will be moved to breakeven.

**Remember this trade idea is all about the market reversing course on these blue dots/pivots.**

So MANY trades you will be in the market for less than 2 minutes. Because the market reacts nicely to that pivot. However if it just misses by a tick and then starts going against you after that first minute WATCHOUT as the market may not be done moving against you. Again official is official however if it misses it by a tick for my own personal trading I usually count it as a win. The reason that is important is because let's say trade #1 the 50% missed its target by 1 tick. Trade #2 was a loss on the 50%, so trade # 3 would "officially" be an entry for the "most safe" trade. However IF trade #1 was actually a win (remember it only missed it by a tick) you WOULDN'T enter at trade #3 but would wait until trade #4.

So due to the streaks and the way to trade this idea it does matter and those 1 tick misses on entries and exits can cause you issues.

**[MISSED ENTRY BY 1 TICK VIDEO](#)**

**[MISSED EXIT BY 1 TICK VIDEO](#)**



\*If you are less interested in big losing days I would suggest ONLY trading the 50% trades. You will get many less trades however the profits have been quite good.

\*Treat each trade entry as its own. Meaning don't trade a 50% trade based on how the 25% trades are working. They are 2 separate trade ideas.

\*The market will tend to come up/down to its pivot again at some point in the day. After a few 50% failures watch for a 100% move.

### **100% PULLBACK VIDEO**

\*6-8 blue dots tends to be the max for a move. (See Avoid small opr video above for examples)

\*Don't over trade so figure out your risk etc.. And trade accordingly. If it's just the Dow or the SP or NQ or all 3 of them. We will have days they all enter trades around the same time. If you trade all 3 indices you would have a LOT of exposure. And if they all lose that first trade you could be into some big drawdown.

\*Slow and steady wins the race. This trade idea works if you can avoid the really bad days. It is pretty consistent but as with any trading you need to have your own money management.

\*I can't stress enough you MUST avoid the BIG losing days they will come if you are not careful the above tips will help you navigate some of that. But please have a hard and fast stop for the day whatever that # is for you. You will occasionally have

losing days which are ok. What you have to avoid is the  
BLOWOUT YOUR ACCOUNT DAYS.

I hope this was a helpful guide for trading the OPR 25% and 50% trades. I wish you much success in your trading. If you would like to be part of our daily webinars where I trade the OPR idea LIVE. You can find more details at [Tradingideas101.com/opr2021.html](https://Tradingideas101.com/opr2021.html)

Contact me with any questions  
[Steve@mrbinaryoptions.com](mailto:Steve@mrbinaryoptions.com)

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