



Figure 3.16: Weak bullish signal as the Chikou crosses above the price from 26 days ago but the current price is below the Kumo

The Ballarpur Industries chart in [Figure 3.17](#) shows a neutral buy signal as the Chikou crosses above the price from 26 days ago while the current price is within the Kumo.



Figure 3.17: Neutral bullish signal — the Chikou crosses above the price from 26 days ago and the current price is within the Kumo

The Atlas Cycle chart in [Figure 3.18](#) shows a strong sell signal as the Chikou crosses below the price from 26 days ago and the current price is below the Kumo.



Figure 3.18: Strong sell signal — the Chikou crosses below the price from 26 days ago and the current price is below the Kumo

The Bajaj Finance chart in [Figure 3.19](#) shows a weak sell signal as the Chikou crosses below the price from 26 days ago but the current price is above the Kumo.



Figure 3.19: Weak sell signal — the Chikou crosses below the price from 26 days ago and the current price is above the Kumo

The Bajaj Hindustan chart in [Figure 3.20](#) shows a neutral sell signal as the Chikou crosses below the price from 26 days ago while the current price is within the Kumo.



Figure 3.20: Neutral sell signal — the Chikou crosses below the price from 26 days ago and the current price is within the Kumo

Stop Loss Setting

Again, the Kijun can be used as a stop loss level in the Chikou breakout strategy. The trader should trail the stop loss with the Kijun as it advances / declines with the price, depending on whether the trade is long or short.

Trade Exit

It is very important for a trader to take profits on an ongoing basis as the position moves in his favor. The final position can be exited in any of the following ways:

- Get stopped out as the price moves through the buffer area above, or below, the Kijun, as the case may be.
- Close out the position as the price closes above / below the Kijun, respectively, depending on whether the trade is long or short.

Kumo Twist

Basic Strategy

- A long position is initiated when the future Kumo turns from bearish to bullish.
- Conversely, a short position is initiated when the future Kumo turns from bullish to bearish.

This basically implies that to enter a long position Senkou A should cross Senkou B to the upside in the future. On the other hand, in order to enter a short position, Senkou A should cross Senkou B to the downside in the future.

According to Ichimoku, the effectiveness of the Kumo twist depends location of the current price with respect to the Kumo.

Thus, on the bullish side:

- If the bullish future Kumo twist occurs when the current price is above the Kumo, it is considered a strong bullish signal.
- If the bullish future Kumo twist occurs when the current price is below the Kumo, it is considered a weak bullish signal.
- If the bullish future Kumo twist occurs when the current price is within the Kumo, it is considered a neutral bullish signal.

On the bearish side:

- If the bearish future Kumo twist occurs when the current price is below the Kumo, it is considered a strong bearish signal.
- If the bearish future Kumo twist occurs when the current price is above the Kumo, it is considered a weak bearish signal.
- If the bearish future Kumo twist occurs when the current price is within the Kumo, it is considered a neutral bearish signal.

The charts that follow will illustrate the above scenarios.

The Dena Bank chart in [Figure 3.21](#) shows a bullish future Kumo twist. As the current price is above the current Kumo, so this would be considered a strong bullish signal.



Figure 3.21: Strong bullish Kumo twist signal — the current price is above the current Kumo

Figure 3.22 shows a bullish future Kumo twist in the chart of Dish TV. The current price is below the current Kumo, so this would be considered a weak bullish signal.



Figure 3.22: Weak bullish Kumo twist signal — the current price is below the current Kumo

[Figure 3.23](#) shows a bullish future Kumo twist in the chart of DPSC Ltd. The current price is within the current Kumo, so this would be considered a neutral bullish signal.



Figure 3.23: Neutral bullish signal — the current price is within the current Kumo

[Figure 3.24](#) shows a bearish future Kumo twist in the chart of Development Credit Bank Ltd. The current price is below the current Kumo, so this would be considered a strong bearish signal.



Figure 3.24: Strong bearish signal — the current price is below the current Kumo

[Figure 3.25](#) shows a bearish future Kumo twist in the chart of Dena Bank. The current price is above the current Kumo, so this would be considered a weak bearish signal.



Figure 3.25: Weak bearish signal — the current price is above the current Kumo

[Figure 3.26](#) shows a bearish future Kumo twist in the chart of DCW Ltd. The current price is within the current Kumo, so this would be considered a neutral bearish signal.

Stop Loss Setting

The Kijun can be used as a stop loss with a small buffer. As prices move in the anticipated direction, the Kijun starts trending and the stop can be moved along with it.

Trade Exit

It is very important for a trader to take profits on an ongoing basis as the position moves in his favor. The final position can be exited in any of the following ways:

- Get stopped out as the price moves through the buffer area above / below the Kijun
- Close out position as price closes above / below the Kijun
- Close out position if the future Kumo twists back in the other direction.

How Kumo Tells You if the Market is Trending

You must always keep in mind that Ichimoku is a trend trading system. In a non-directional market, there will be whipsaws and traders need to stay out of the market at those times.

So how does a trader determine if a market is trending or not?

Look at the Kumo.

- In a bullish trending market, the Kumo will be rising steadily (see [Figure 3.27](#)).

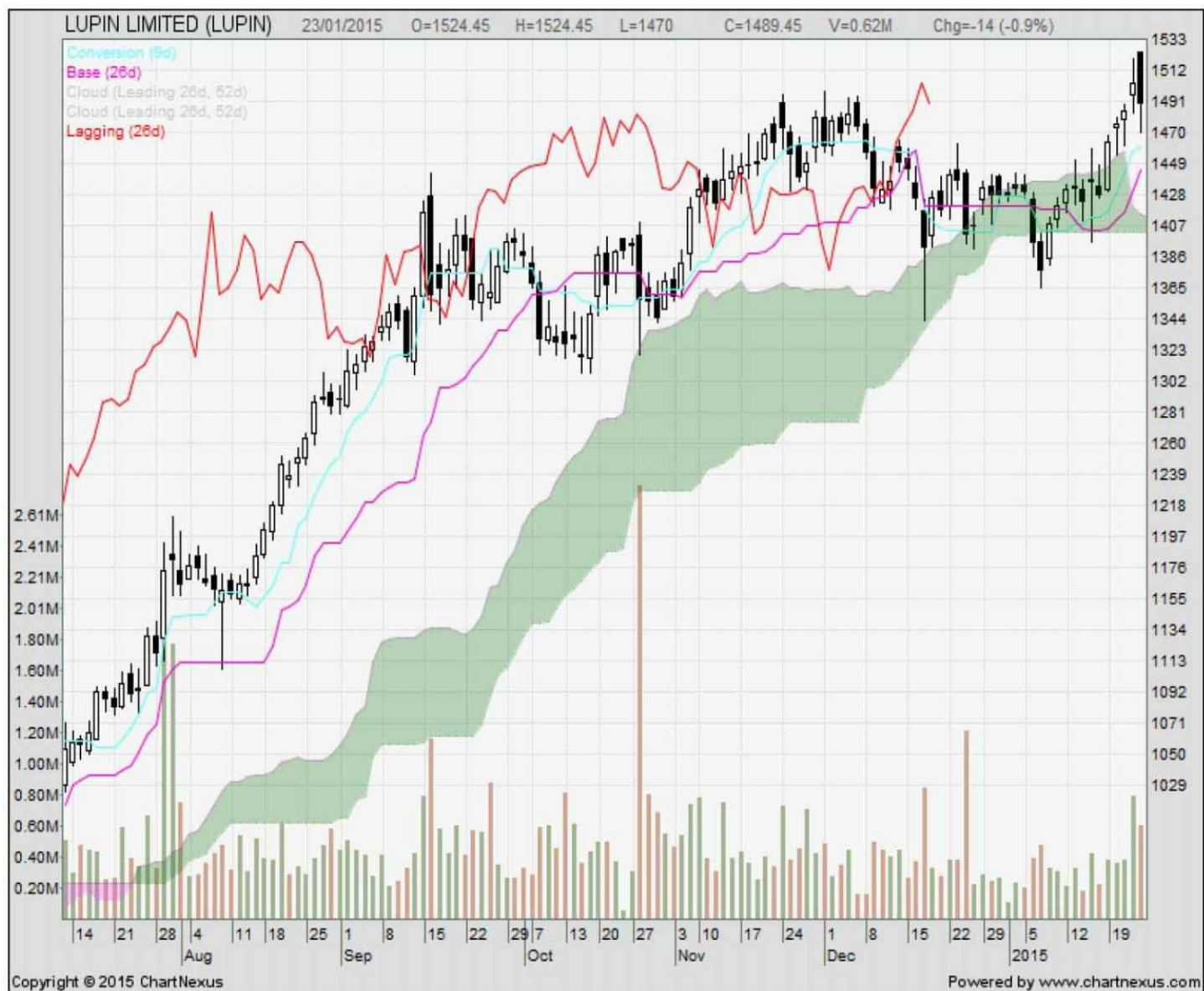


Figure 3.27: A rising Kumo indicates a bullish trending market

- In a bearish trending market, the Kumo will be falling steadily.
- In a non-trending market, the Kumo will switch between bearish and bullish in a short period of time as seen in [Figure 3.28](#).

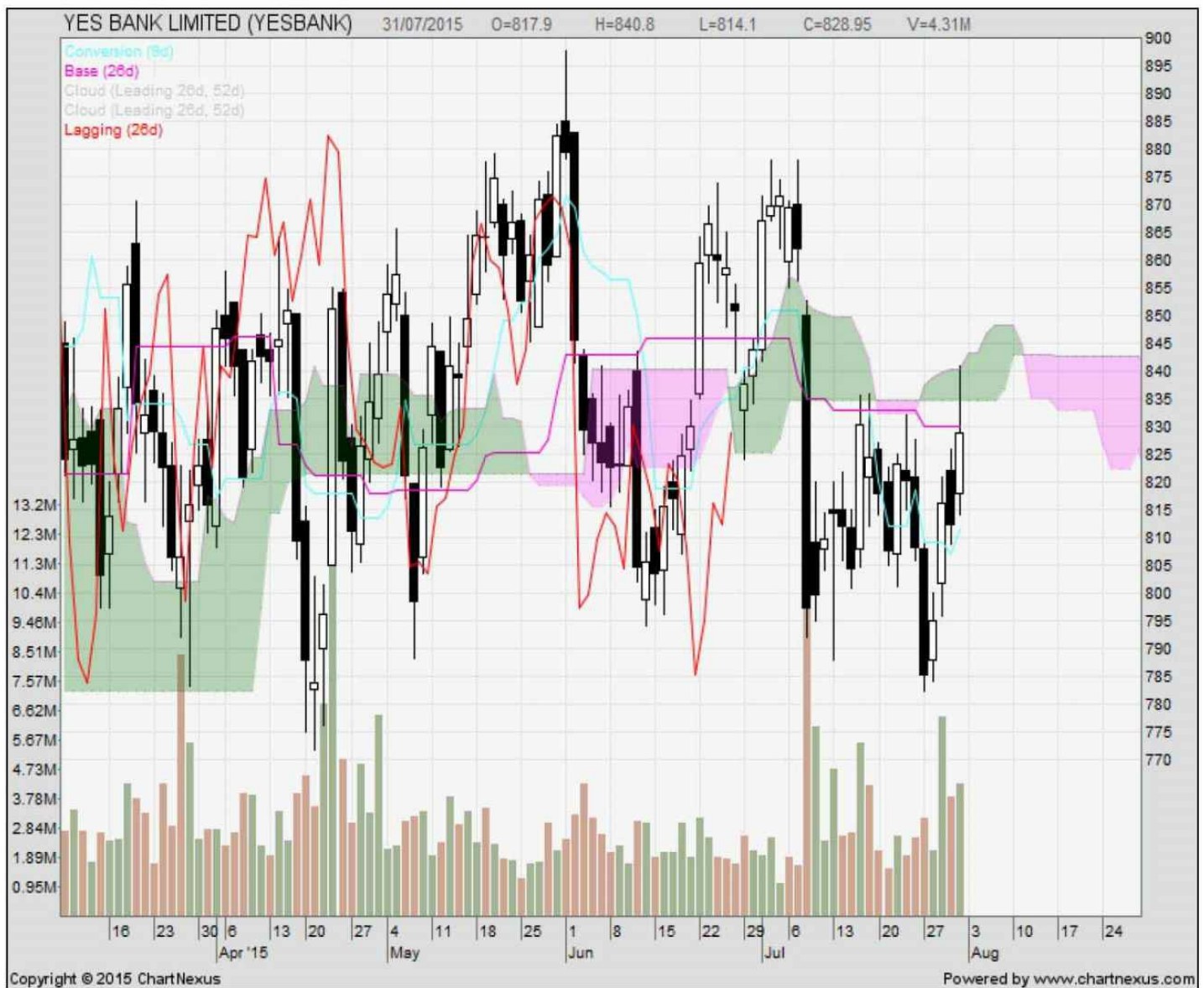


Figure 3.28: Non-trending market — see how the Kumo goes from bearish to bullish — and vice versa

All Ichimoku Components Need to Be Reviewed

It is important to emphasize here that no matter which Ichimoku trading strategy one follows, all the Ichimoku components need to be reviewed. **Trades should not be initiated if individual components of the Ichimoku are in conflict with one another.** There are always good opportunities to trade if you are patient. These strategies can be used on different asset classes and present a wide range of trading possibilities. There is no need to rush into positions by overlooking conflicts between the Ichimoku components. Even though some of the above scenarios depict a neutral or weak signal, I have seen wonderful results initiating trades in those areas. The key is to put together all the components and analyze the overall picture.

In the chapters that follow, particularly Chapter 4 and Chapter 5, we will look at numerous real-life examples of the different Ichimoku trading strategies in action. The readers may notice some repetition as we evaluate the charts. This is deliberate. Such repetition will train your eyes to visually recognize the different trading set-ups and your mind to consistently analyze the complete picture. This is imperative for your trading success.



Kumo Break Strategy

As highlighted in the previous chapter, the Kumo break strategy is a very powerful way of using the Ichimoku system.

Basic Strategy

To recapitulate the strategy:

- Long positions are initiated when price breaks, and closes, above the Kumo.
- Short positions are initiated when price breaks, and closes, below the Kumo.

Though one can take this raw strategy and implement it with a certain degree of success, the high probability success factor would be lacking. To turn the Kumo break strategy into a high probability trade, we need to add some rules to it. Rules define the exact conditions for entry into the stock, currency, bond commodity, or any other tradable liquid instrument.

Rules / Conditions

Price *versus* Current Kumo

For this strategy, the price would obviously have to close above the current Kumo. However, the trader also needs to evaluate the nature of the Kumo itself. Is it flat? This question will decide the probability of price continuing its trajectory. Flat Kumos, and most of the time it will be Senkou B, attract prices back to themselves. Remember that Senkou B is the 52-week equilibrium. If prices are trying to break out of this equilibrium, especially without strong support from the Tenkan and Kijun, chances are that they will be drawn back to the Kumo. In a flat Kumo breakout case, therefore, you need to observe how many days in the future does the flatness of the Kumo disappear. If it does so in the next few days, then the trade has a good chance of success. If Senkou B is expected to be flat for quite some time and the Tenkan / Kijun support is far behind the price, the probability of success is reduced.

Direction of the Future Kumo

Is the future Kumo sentiment the same as the direction one is trading in?

- If the trader is planning a bullish trade as the price closes above the Kumo, then the future Kumo should be bullish.
- If the trader is planning to take on a bearish trade as price closes below the Kumo, then the future Kumo should be bearish.

It would be ideal for Senkou A and Senkou B to be both heading in the same direction as the trade. But as long as they are displaying the same sentiment, the indicator would be confirming the trade. There are times when the trader can be a little proactive and enter a trade even if the future Kumo is of the opposite sentiment. This can be contemplated only if all other Ichimoku components are aligned and it can be visually ascertained that a Kumo twist is likely in the next couple of days. This anticipation of Kumo twist is easy to do as a trader gets more and more accustomed to reading Ichimoku charts.

For example, consider you are making a bullish trade using this strategy. All Ichimoku components are aligned, except that the future Kumo is bearish. At this point, you might visually notice that Senkou A is heading to intersect Senkou B, but the twist has not occurred yet. To anticipate the next couple of days, look to see how the Tenkan and Kijun will be moving in this timeframe. Is the prior 9-period low going to rise higher? Is the prior 26-period low going to rise higher? Any of these conditions will make either the Tenkan or Kijun to go up. That would, in turn, make Senkou A go up some more. Next, check if the prior 52-period highs are expected to drop. If they are, then Senkou B will drop further. Both these conditions will accelerate the Kumo twist and lead to a bullish future Kumo.

Chikou

Do not make the mistake of ignoring this simple indicator. It is the key to your success. When the price closes above the Kumo, visually check the position of Chikou in reference to the price 26 days ago. Is the Chikou below that price? If yes, then the trade cannot be initiated at this time. Even if Chikou is above the price of 26 days ago, but it is visually noticed that it would bump into that price in the next few days if the current price consolidates then, too, the trade should not be entered into.

Essentially, the Chikou should be free and clear of immediate price congestion.

Keep in mind that the Chikou needs to have a closing price above the candle of 26 day ago to give the trade the green light. There would be times when the current price rallies intraday, only to fall back towards the end of the day as Chikou faces resistance from the price 26 days earlier. Wait for the confirmed freedom of Chikou.

Tenkan and Kijun

What is the position of Tenkan *versus* Kijun? If Tenkan is above the Kijun, then the trade has a green light for a bullish entry. Tenkan will need to be below the Kijun for entering a short position. There might be cases where the Tenkan and Kijun are not in the right order, but the trader can visually assess that the Tenkan will cross the Kijun the next day. For a bullish entry case, this might be where the prior 9-period lows are getting higher, while the prior 26-period high / lows are constant. As you get a firm grasp of such visual analysis, your entry points would become more aggressive and profitable. For beginners, it is recommended to wait for the actual confirmation of indicators.

Price *versus* the Tenkan and Kijun

For a bullish trade the price needs to be above the Tenkan and Kijun. For a bearish trade the price needs to be below the Tenkan and Kijun.

That is a simple requirement. However, it would be worthwhile to reiterate here again that the price does not like to be too far away from the Kijun, especially a flat Kijun. If the price has exploded recently and closed above the Kumo leaving the Kijun far behind, there is a high chance that it will retrace and find its equilibrium at the Kijun. Of course there will be trades that keep going higher and drag the Kijun along with them, but those are exceptions. So keep a watch on the conditions that will cause the Kijun to move up.

Trade Entry

Once all the components of the Ichimoku indicator are aligned, the trader places a buy order to buy on strength. This means buying above the high of the control candle, the candle which has the highest high of the previous 9 days. This will ensure that the Tenkan will be pulled in the direction of the trade.

I like to use the Kijun as the initial stop. Some traders use the Average True Range (ATR) indicator to decide the buffer below the Kijun at which the stop is placed. The ATR provides a dynamic stop loss below the Kijun based on the volatility of the stock. As the stock moves in the desired direction, the Kijun will start moving too. This allows the stop to be raised, or lowered, as the case may be, to first reduce the loss and then to lock in profits.

Kumo Break Trading Strategy in Action

The charts that follow, namely from [Figure 4.1](#) to [Figure 4.23](#), show the Kumo break trading strategy in action. I have described the real-life scenarios in some detail in the initial few charts and, then for the rest, I have highlighted the key indicators that need to be looked at.

I have also included charts where the trade would have resulted in a loss. This is to be expected. Losing is part of the trading game. There is no system which will give 100% win results. The idea is to keep losses small and let profits run.

Example 4.1: Going Long Using the Kumo Break Strategy

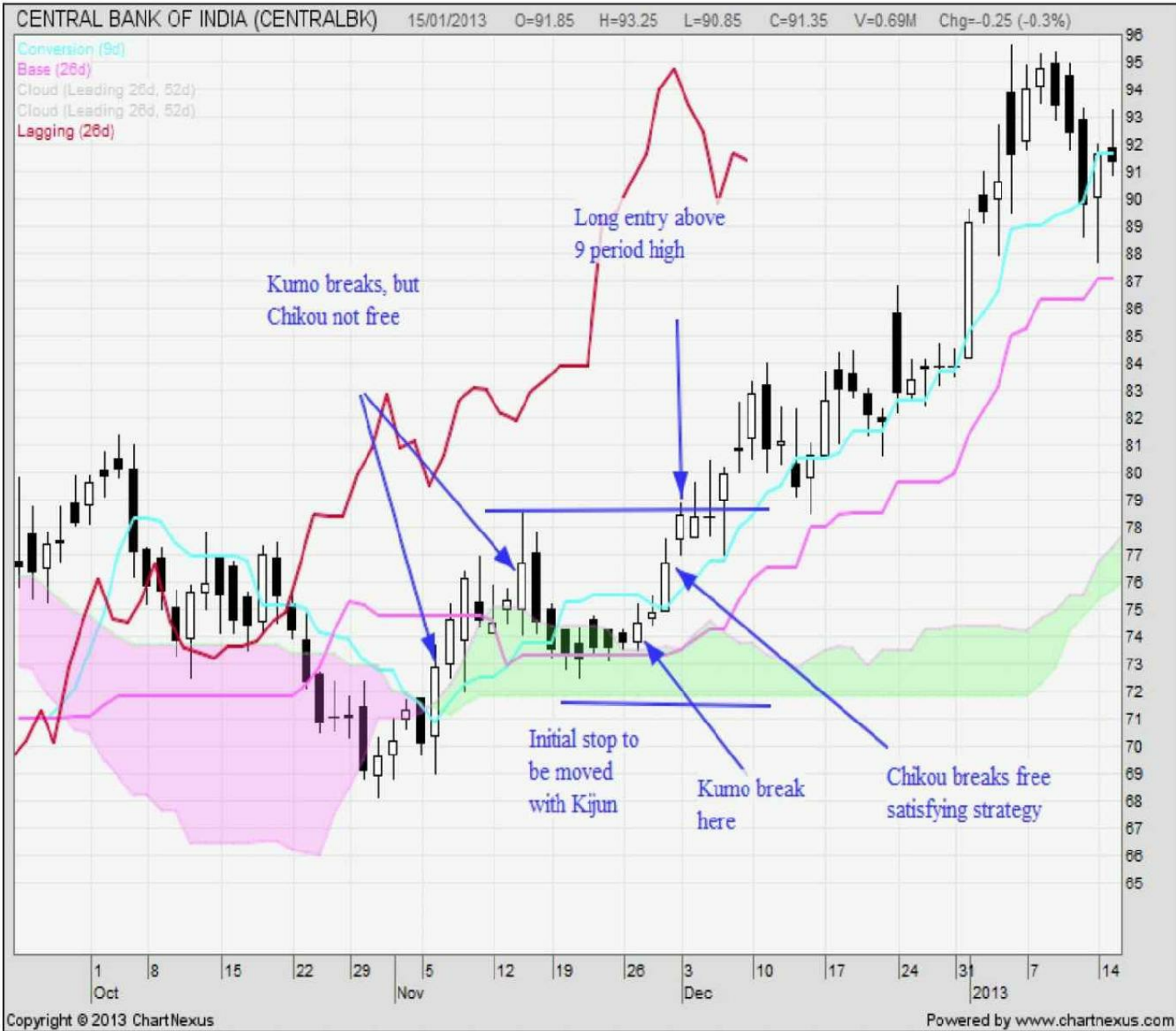


Figure 4.1: Going long as three Kumo bullish breaks show up in the chart of Central Bank of India

Trade Set-up

The chart of Central Bank of India in [Figure 4.1](#) shows three bullish Kumo breaks in 2012. The first two, on 6 November and 15 November, respectively, did not satisfy our criteria for a long entry. One can see that the Chikou was still under the price congestion from 26 days ago for these two Kumo breaks. As we've learnt, Chikou is indicative of the trend's strength. As current prices bump against the price level of 26 days ago, sellers flood the market with supply causing a pullback in prices.

Entry

The third bullish Kumo break occurred on 27 November. Chikou was still not clear of price congestion and the stock at this point was below the Tenkan. This meant another wait in store for the trader looking for the right set up conditions! A couple of days later, however, the price climbed and closed above the Tenkan. This also caused Chikou to break out of the price from 26 days ago. With the future Kumo cloud bullish and Tenkan above the Kijun, all of our Ichimoku conditions were satisfied for a long entry above the 9-period high.

Notice in the chart that the 26-period high is not too far compared to the 9- period high. Wouldn't you want the Kijun to also move up in support of the stock along with the Tenkan? As an Ichimoku system follower, that would be the correct strategy. So the buy order would be placed above the 26-period high and would have been triggered on 3 December.

Stop Loss

The initial stop loss would be placed below the Kijun with a buffer. As the price starts to move higher in the anticipated direction, it will draw the Kijun upwards with it. This allows the trader to keep moving the stop up.

Exit

Partial profits should be taken along the way as the price rises and the final position should be stopped out when the stock closes below the Kijun, or trades through the buffer below the Kijun.

Example 4.2: Going Long Using the Kumo Break Strategy

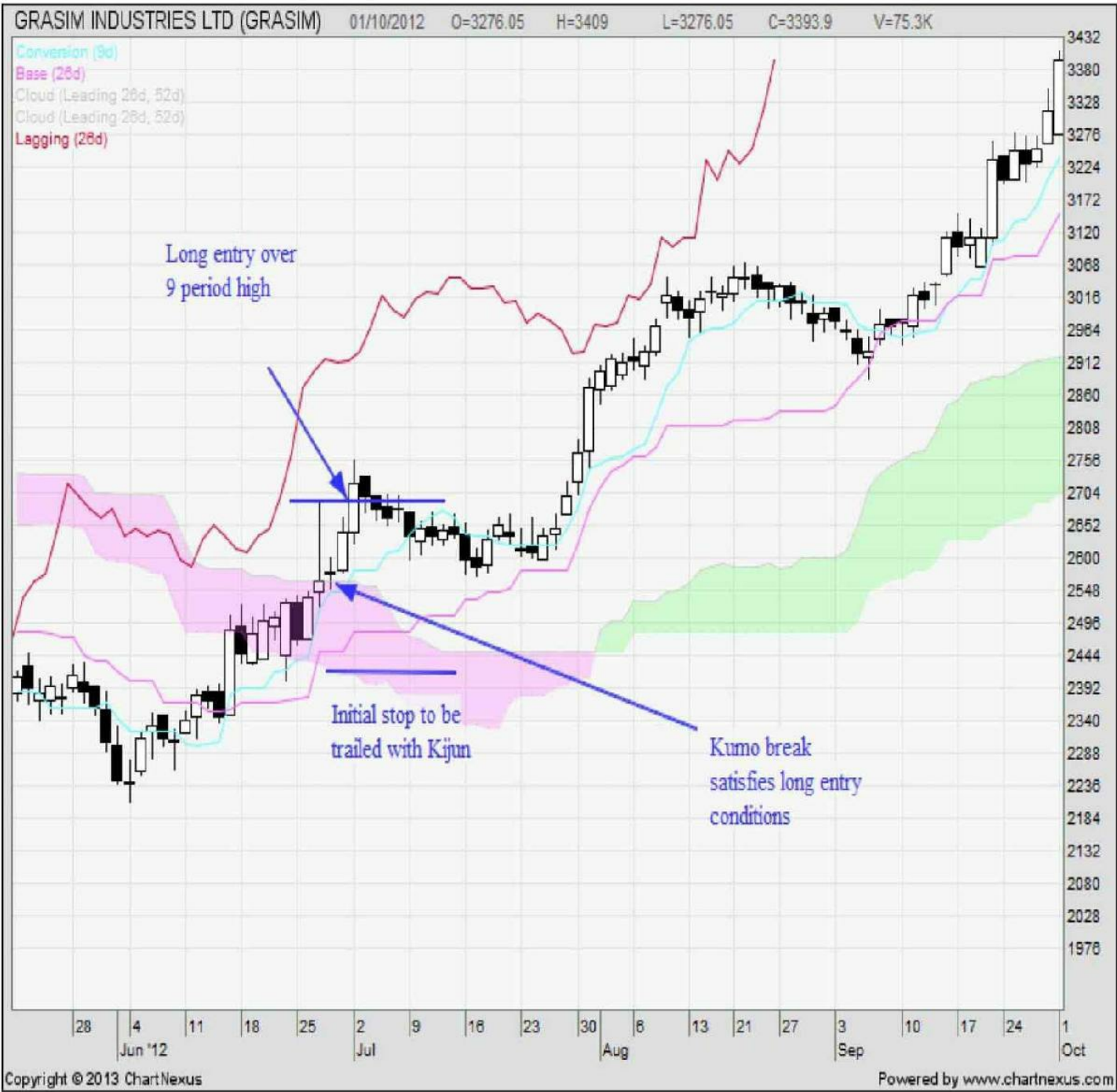


Figure 4.2: Trading long in Grasim Industries — the Kumo break, entry and stop loss points are indicated

Trade Set-up

The chart in [Figure 4.2](#) shows Grasim Industries closing above the Kumo on 28 June 2012. At this point, Chikou was free of the price action of 26 days ago. The price was above Tenkan and Kijun. Tenkan was above the Kijun and the future Kumo cloud was bullish. All our Ichimoku conditions were thus satisfied for a long entry above the 9-period high.

Entry

In this case, the 9-period high was the high set on the previous day with the long upper shadow candle. This candle also set the 26-period high. So setting a buy order above this candle's high would ensure that Tenkan and Kijun both move up to support the stock.

The buy order would have triggered on 2 July. Keep in mind that as soon as a position is entered, one also needs to immediately place the stop loss order. This is critical. One cannot decide the stop loss level in one's mind and think about implementing it a few days after the trade is entered. As soon as a trade is executed, the whole emotional dynamics of the trader changes. Rationality goes out of the window as the trader's emotions take over. So put the stop loss order as soon as the trade is executed, or as a combination order if the broker allows. In this case, a sell order would be placed below the Kijun on that date.

Immediately following the buy execution, the price retraces all the way to the uptrending Kijun. Note here that near the 5 July area, the stop should have been moved up below the Kijun at this point.

The Kijun supports the price and the bulls come back in to rally the stock.

Exit

As the price moves up, partial profits should be taken along the way. The final position should be closed out when price closes below the Kijun, or trades through the buffer below the Kijun.

Example 4.3: Going Short Using the Kumo Break Strategy



Figure 4.3: Going short in Hindalco — the Kumo break, the future Kumo and initial stop loss points are indicated

Trade Set-up for Short Entry on 5 February

Tenkan / Kijun: In the chart in [Figure 4.3](#), Hindalco's price is below the Tenkan and Kijun, which is bearish. Tenkan is below the Kijun, which is also bearish. And, both Tenkan and Kijun will continue to fall as the price goes lower.

Chikou: At the point of entry, Chikou will be clear of any price interaction.

Current Kumo: Prices are below the current Kumo.

Future Kumo: The future Kumo has turned bearish confirming all the other indicators.

Initial Stop: The initial stop will be above the Kijun. This stop can be moved down as the price starts to move lower and Kijun trails downward with it.

Trade Analysis

Hindalco's price closed below the Kumo on 24 January. The Chikou was free at this point, but the future Kumo was still bullish. To enter a short trade, the future Kumo would need to twist. As soon as this happens, a short entry can be placed below the 9-period low. In this case, the 9-period low is the same as the 26-period low. The trader is thus assured that both Tenkan and Kijun will move lower when the trade is executed. Notice also in the chart in [Figure 4.3](#) that the 26-period highs are going to head south soon after the time of entry. This will help the Kijun trend down and the stop loss setting to be moved closer to the price.

Partial profits should continuously be taken as the trade progresses in the expected direction. Final position should be stopped out as the stock closes above the Kijun.

Example 4.4: Going Long Using the Kumo Break Strategy

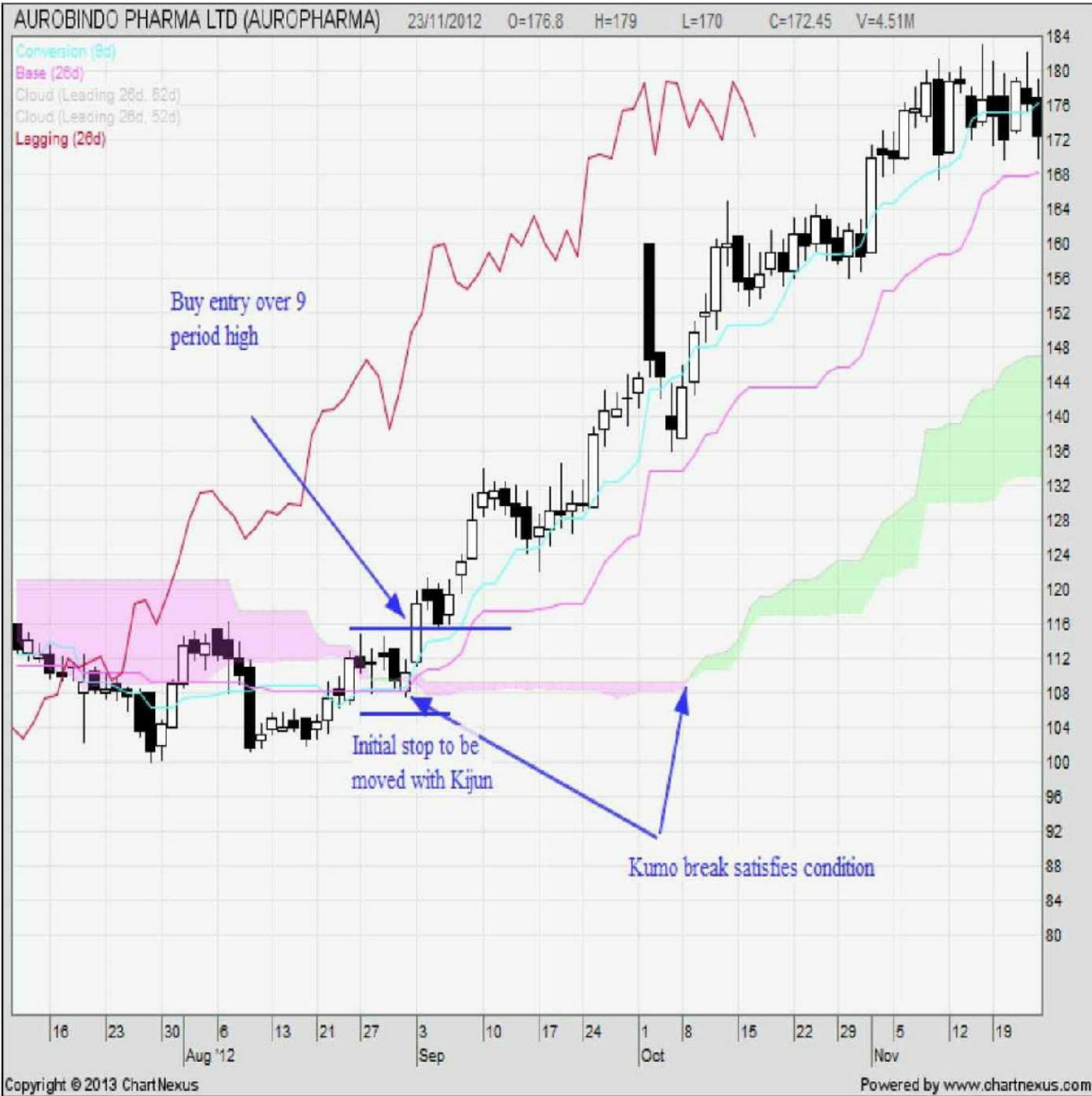


Figure 4.4: Going long in Aurobindo Pharma — Kumo break, trade entry and initial stop points are indicated

Trade Set-up for Long Entry on 3 September

Tenkan / Kijun: The price is above both Tenkan and Kijun, which is a bullish sign. Tenkan is above the Kijun, which is also bullish.

Chikou: At the point of entry, the Chikou will be clear of any price interaction.

Current Kumo: The price is above the current Kumo.

Future Kumo: The future Kumo has turned bullish, thus confirming all the other indicators.

Initial Stop: The initial stop will be below the Kijun. This stop can be moved up as the price starts to move higher and the Kijun also trails upward with it.

Trade Analysis

Aurobindo Pharma's price closed above the thin Kumo on 31 August. At that point, the Chikou was above the price congestion and the future Kumo had turned bullish. All the Ichimoku components were lined up for a long entry above the 9-period high. This would ensure that Tenkan is drawn up to help support the price. Traders can as well place the buy entry at the 26- period high in this case as there is not much difference between the 9- period and 26-period highs. Doing so ensures that even the Kijun is drawn up in the expected direction of the trade. Partial profits should be taken on a regular basis as prices climb, with the final position being stopped out below the Kijun.

Note in the chart that there was a Kumo break on 28 August. This did not, however, satisfy the future Kumo requirement as it was still bearish.

Example 4.5: Going Long Using the Kumo Break Strategy

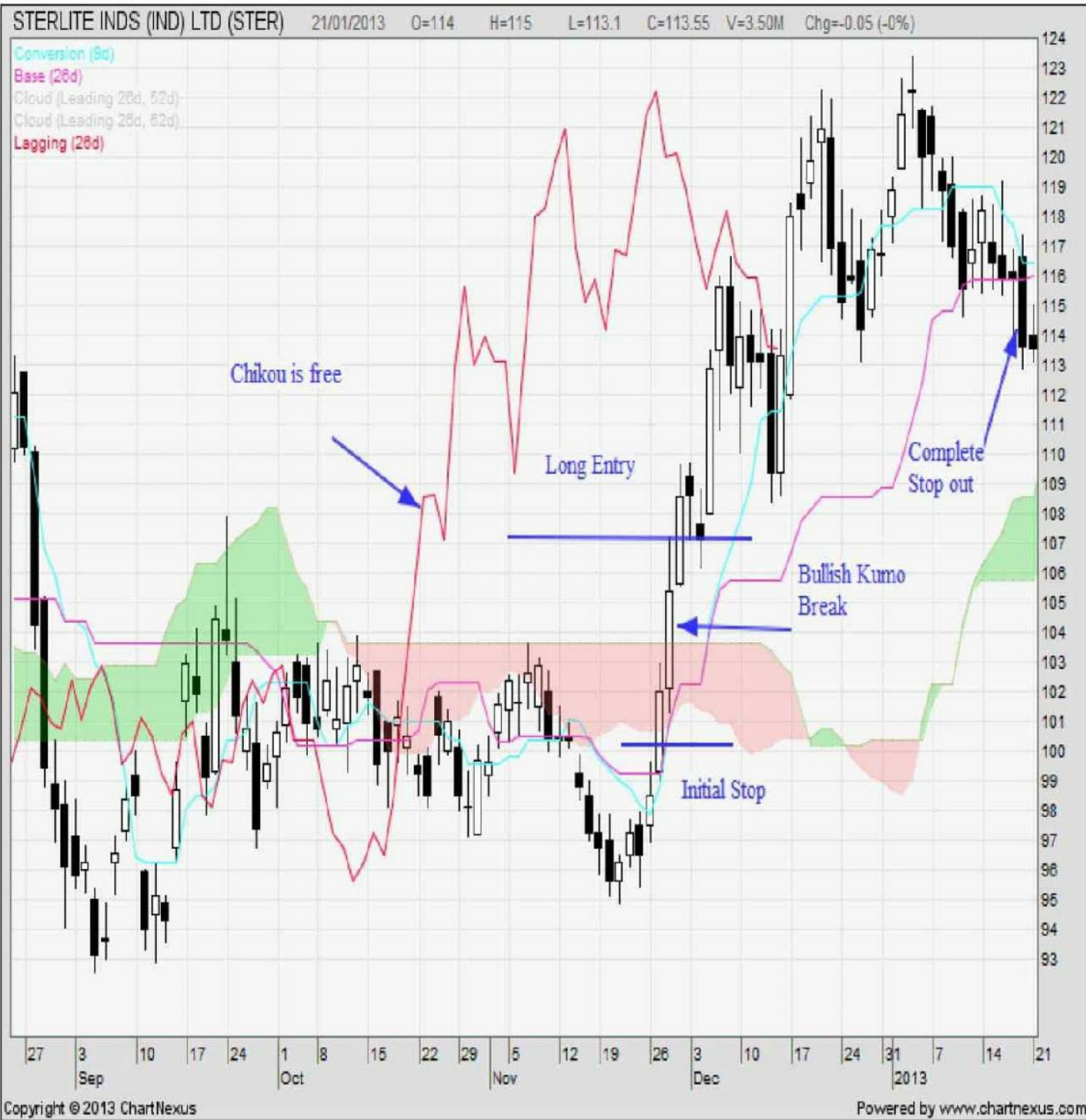


Figure 4.5: Going long in Sterlite Industries — the bullish Kumo break and long entry points are indicated

Trade Set-up for Long Entry on 30 November

Tenkan / Kijun: The price is above Tenkan and Kijun, which is bullish. Tenkan is above the Kijun, which is also a bullish sign.

Chikou: At the point of entry, the Chikou will be clear of any price interaction.

Current Kumo: Prices are above the current Kumo.

Future Kumo: The future Kumo is bullish, thus confirming all the other indicators.

Initial Stop: The initial stop should be below the Kijun. This stop can be moved up as the price starts to move higher and the Kijun trails upward with it.

Trade Analysis

This trade needs to be initiated with caution in mind. Even though the chart looks good after the fact, the entry conditions were not very ideal. If you noticed this fact, you are well on your way to being successful at Ichimoku trading. The reason for this cautious outlook is the flat Kumo that the price broke out of. Notice Senkou B is flat for the next 9 days. This equilibrium can very well attract prices back to it. In this particular example, the price rocketed up to draw the Tenkan and Kijun above the Kumo to support it if necessary.

A flat Senkou B is very powerful and should be carefully evaluated. Notice in the chart how the price was rejected twice at this Kumo level in the previous trading month.

Partial profits should be taken on a continuous basis as the price heads in the expected direction. Finally, the position should be completely stopped out as the price closes below the Kijun.

Example 4.6: Going Short Using the Kumo Break Strategy



Figure 4.6: Going short in Sterlite Industries — notice the bearish Kumo break, the free Chikou, the entry point and the initial stop above the Kijun

Trade Set-up for Short Entry on 7 February

Tenkan / Kijun: The price is below the Tenkan and Kijun, which is a bearish sign. Tenkan is below the Kijun, which is also bearish. And, both Tenkan and Kijun will continue to fall as the price goes lower.

Chikou: At the point of entry, the Chikou will be clear of any price interaction.

Current Kumo: The price is below the current Kumo.

Future Kumo: The future Kumo has turned bearish, thus confirming all the other indicators.

Initial Stop: The initial stop should be above the Kijun. This stop can be moved down as the price starts to move lower and the Kijun trails downward with it.

Trade Analysis

The price of Sterlite closed below the Kumo on 5 February. While the Chikou was free at this point, but the future Kumo was still bullish. The Kumo twist occurred a couple of days later to provide a good short entry signal. In this case placing a sell order below the 9-period low would ensure that the Tenkan and Kijun both move down.

Profits should continuously be taken as the trade progresses in the expected direction. The final position should be stopped out as the stock closes above the Kijun.

Notice in this chart how the flat Senkou B rejected the price on 25 January. The stock bounced right back up to test the Kijun and failed. The price finally ran out of the flat Senkou B when it closed below the Kumo. That one day of Kumo flux was good enough for the price to penetrate to the bearish side. Had the price been one day late, it would have had to contend with another long stretch of flat Senkou B. It is important for the trader to notice these subtleties and analyze them in as much depth as possible to get the confidence to place trades using the Ichimoku system.

Example 4.7: Going Long Using the Kumo Break Strategy

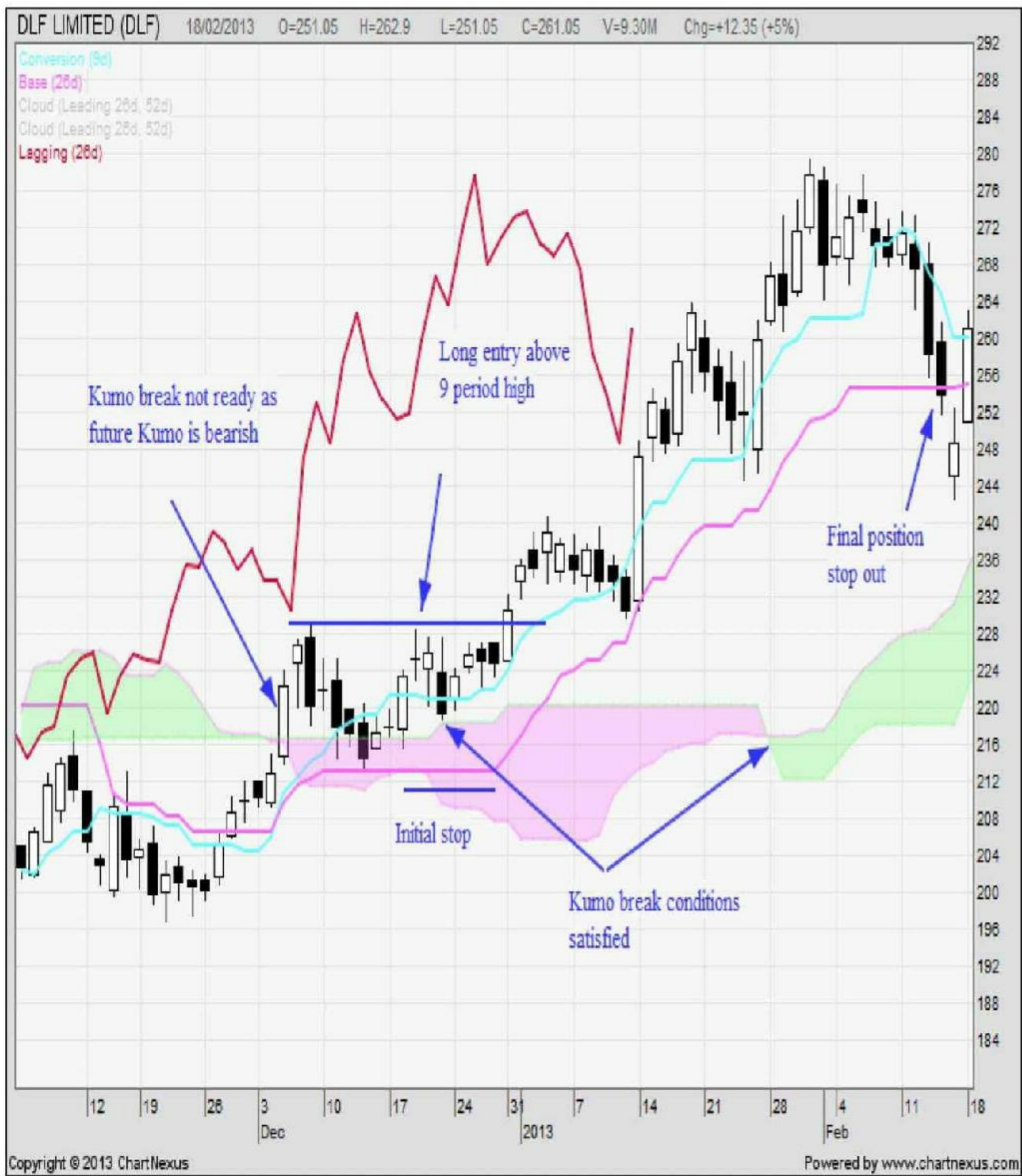


Figure 4.7: Going long in DLF — note the Kumo break conditions being satisfied and the long entry and initial stop loss points

Trade Set-up for Long Entry on 31 December

Tenkan / Kijun: The price is above both Tenkan and Kijun, which is bullish. Also, Tenkan is above the Kijun, which is also bullish.

Chikou: At the point of entry, the Chikou will be clear of any price interaction.

Current Kumo: Prices are above the current Kumo.

Future Kumo: The future Kumo is bullish, thus confirming all the other indicators.

Initial Stop: The initial stop will be below the Kijun. This stop can be moved up as the price moves higher and the Kijun trails upward with it.

Trade Analysis

The bullish Kumo break occurred on 5 December. However, the future Kumo was then still bearish, which should have stopped a trader from entering the trade. Prices then pulled back and took support on the Kijun. On 21 December, the future Kumo turned bullish and provided the green light for a long entry. Placing a buy order above the 9-period high, or above the 26-period high since the two highs were close together, would have got the trader in on 31 December. Notice that on this day, Senkou B was starting to go flat for the next few weeks. However, Tenkan was above the Kumo and close enough to the price to provide support for it.

Partial profits should be taken on a continuous basis as the price heads in the expected direction. Finally, the position should be stopped out as it closes below the Kijun.

Example 4.8: Short Trade Using the Kumo Break Strategy



Figure 4.8: Short trade in Alok Industries — the Kumo break and the initial stop are indicated

Trade Set-up for Short Entry on 8 February

Tenkan / Kijun: The price is below both Tenkan and Kijun, which is a bearish sign. The Tenkan is below the Kijun, which is also bearish. And, both Tenkan and Kijun will continue to fall as the price goes lower.

Chikou: At the point of entry, the Chikou will be clear of any price interaction.

Current Kumo: Prices are below the current Kumo.

Future Kumo: The future Kumo is bearish, thus confirming all the other indicators.

Initial Stop: The initial stop will be above the Kijun. This stop can be moved down as the price starts to move lower and the Kijun trails with it.

Trade Analysis

The price closed below the Kumo on 24 January. At this point, Chikou was still trading in the price congestion of 26 days ago. It cleared this resistance in a couple of days and all the Ichimoku indicators were then lined up for a short entry below the 9-period low. For the purpose of getting the Kijun to also trend down, the entry level can be kept below the low of the candle which indicated the Kumo break.

Partial profits should be taken continuously as the trade progresses in the expected direction. Finally, the position should be fully stopped out when the stock closes above the Kijun.

Example 4.9: Going Short Using the Kumo Break Strategy



Figure 4.9: Going short in Andhra Bank — the Kumo break is indicated in the chart

Trade Set-up for Short Entry on 5 February

Tenkan / Kijun: The price is below both Tenkan and Kijun, which is a bearish sign. The Tenkan is below the Kijun, which is also bearish. And, both Tenkan and Kijun will continue to fall as price goes lower.

Chikou: At the point of entry, the Chikou will be clear of any price interaction.

Current Kumo: The price is below the current Kumo.

Future Kumo: The future Kumo is bearish, thus confirming all the other indicators.

Initial Stop: The initial stop will be above the Kijun. This stop can be moved down as the price starts to drop lower and the Kijun trails down with it.

Trade Analysis

When the price closed below the Kumo on 24 January, the future Kumo was still bullish. This was a caution that the trade should not be taken. Notice how the stock used the flat Senkou B as support. It rallied and was rejected at the Kijun. This time as the price came down, it ran out downward of the flat Senkou B. The Kumo started to go in a flux. Perfect timing for the bears! The price closed below the Kumo with a big bearish candle and the conditions for a short entry trade were satisfied on 5 February. A sell order below this candle would force the Tenkan and Kijun to also move down in the expected direction of the trade.

Partial profits should continuously be taken as the trade progresses in the expected direction. Finally, the entire position should be stopped out when the stock closes above the Kijun.