

Trend Trading Strategy

This strategy will work in a trending market environment. It is based on the premise that every new candle will first move counter to the trend, set a daily high (HOD) or daily low (LOD), and reverse to fill the daily range.

Trading and the Daily open

As our filter for intraday trading, we will only **buy** *BELOW* the Daily Open Line, and **sell** only *ABOVE* the Daily Open Line.

Ideally, the entry should be at the HOD or LOD. If not, it should be somewhere inside the wick of the daily candle.



Setting the HOD/LOD

The high or low of the day is usually set in the early morning session, somewhere around London Open. Price will reverse upon touching a level of Support or Resistance or an area of Supply or Demand. We can find this level or area within the previous day's price action, so drop down to an intraday timeframe of choice.



It is important to not be scared of this initial counter-trend move, but instead fade the move. Our confidence comes from HTF analysis, and the bias that we have built around it.

The first daily candles of a new trend will have the longest wick, which means we ought to look for deeper counter-trend moves to set the HOD or LOD. After that, it could be set within a dozen pips of the daily open.

Management and Target setting

When it comes to management and target setting, everybody does it different. There are a few ways you can go about it.

1. Use a KSR level for your target. Collapse trade near or at the level.
2. Use ADR to milk as much of the profit as you can.
3. Close position at London close or at a later benchmark.
4. Hold on until the entire trend ends at a higher timeframe level.

I don't like to trail my stop past breakeven, I just collapse the trade if I feel nervous or lose confidence.