

Fake Breakout strategy:

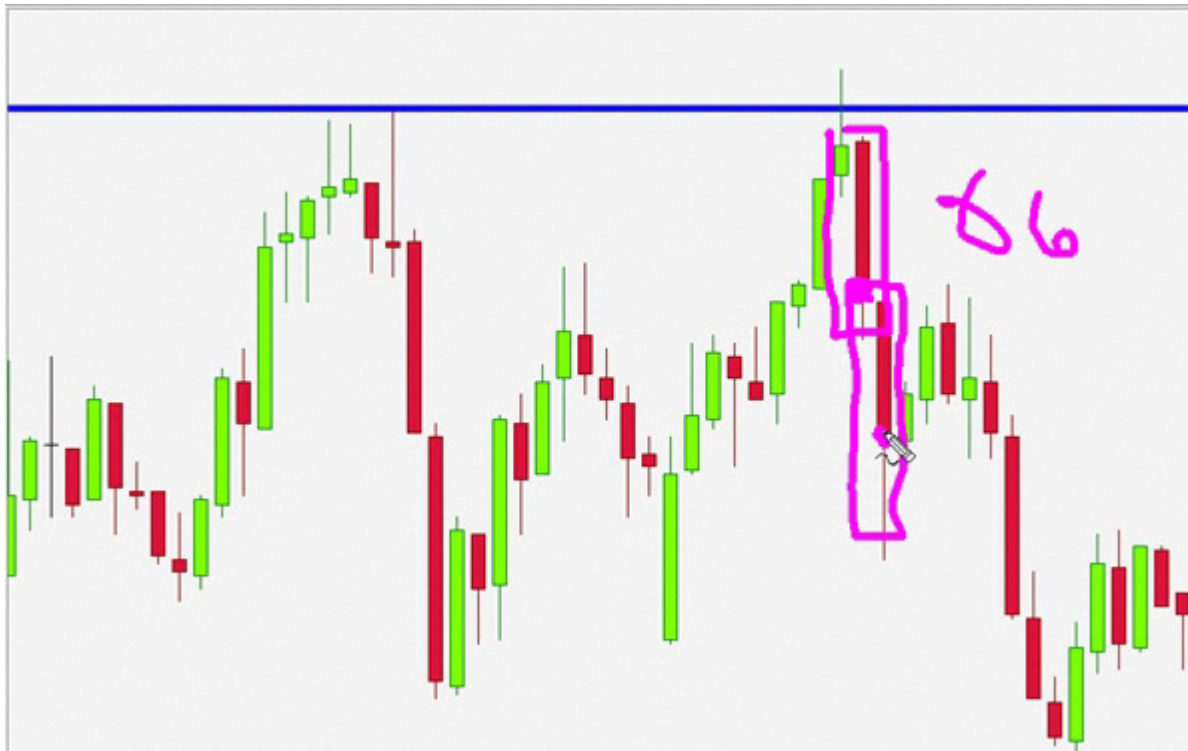
It is a universal market strategy, applicable to any speculation market. It can be applied to any TF, best to use on Weekly, Daily, 4hr, etc as it allows more time to assess your trade.

Based on fear/greed principle in the FX Market, price breaks thru strong S/R level and more traders join the trend in “greed” to try and make more money. Then for some reason a large # of traders leave their trade (could be 1 or more institutions traders) – fear kicks in and everybody starts rushing to get out of their retracing trade.

(for purpose of quick explaining and less typing: let’s use the example as an Up trend, breakout of obvious strong Resistance)

ONLY on obvious strong Support/Resistance levels:

- Wait for false breakout (pinbar) @ S/R level – must break thru that level, fail to close above Resistance;
 - Wait for this pinbar to close;
- Place Sell order to open 5pips below Low of Pinbar;
- Entry will be triggered in next candle;
 - If not triggered in this candle, cancel your trade;
 - Unless you get a 2nd pinbar, then still valid option.
- SL – measure the pinbar, place SL @ 50% +5pips;
- TP1 - @ close of entry candle, buy 66% of your sell trade ;
 - Move SL to BE+spread;
- TP2 - @ close of 2nd candle, buy balance of this trade;



Buy 66% @ first sell candle, move SL to BE. Buy remaining at close of 2nd candle



Buy 66%, SL to BE. Note no 2nd sell candle, thus you can Buy immediately or wait to see what market decide – if it goes in your favour longer, your benefit, else market will reach SL



Same with sell side, pinbar, retrace off Support... 5pips off high of pinbar, sell 66% at close of 1st candle, move sl to BE, etc etc.



Multiple pinbars – same story...