

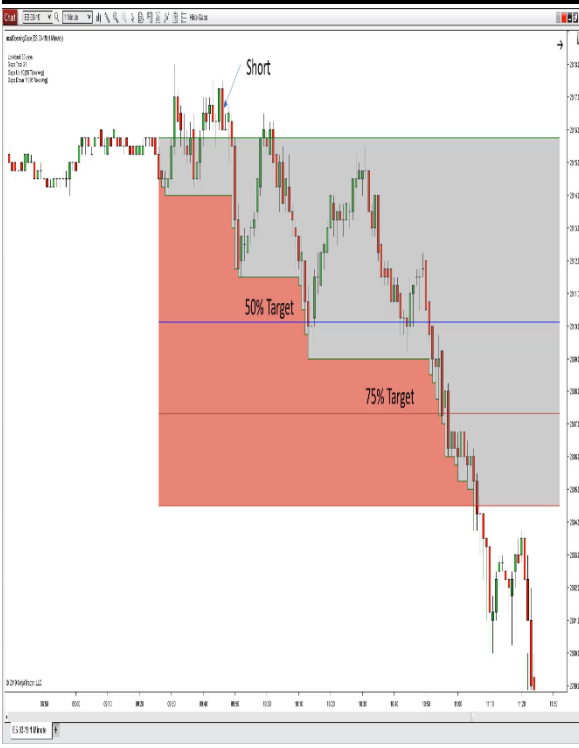
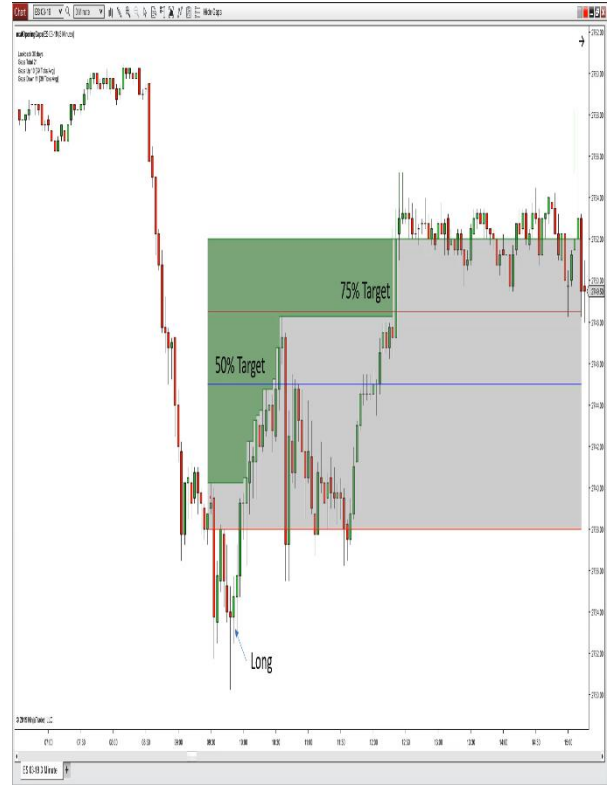
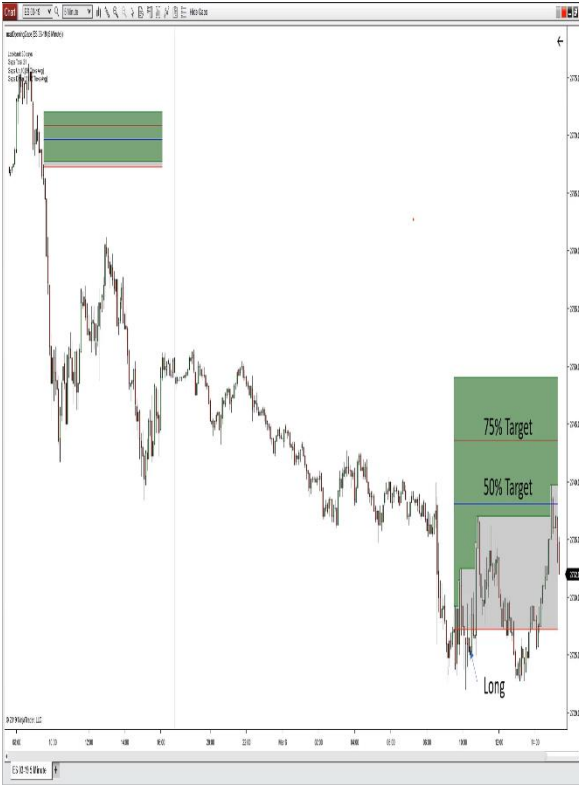
THE OPENING GAP STRATEGY– FADING THE GAP

Chart and Strategy Setup

1. Load the tool onto either a 1-minute, 3-minute, or 5-minute chart
2. Make sure you have the right time settings set within the tool that line up with your market
3. Wait for the market to open and the tool to display the gap. The color of the tool will indicate the direction you need to trade in
4. Make sure the gap is not too large
5. Once the market opens, wait for a bottoming pattern for a long or a topping pattern for a short
6. Execute the trade and place take profit orders at either the 50%, 75%, or both areas. Stop orders are placed below the bottoming (long) or topping (short) pattern

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Fading the Gap Trade Setups



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Tips and Tricks

- The most popular method to trading the Opening Gap is to fade it to the long side so this strategy will most likely be used most often with longs instead of shorts
- Remember, the Opening Gap isn't always closed, and the 50% retracement of the gap fill is a high probability target