#### THE OPENING GAP STRATEGY – TRADING WITH 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 <a href="but, if the gap is too large, you will be">but, if the gap is too large, you will be</a> looking to trade OPPOSITE of the color shown
- 4. Make sure the gap is larger than the entire day's previous cash session range
- 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

# THE OPENING GAP STRATEGY – TRADING WITH THE GAP

## **Trading with the Gap Trade Setups**



### THE OPENING GAP STRATEGY – TRADING WITH THE GAP

#### **Tips and Tricks**

- Sometimes the market opens with such a large gap that instead of fading the gap, you need to play in the direction of the gap
- The market's sentiment is showing that it's either extremely bullish or bearish. This is most likely due to overnight news