

Yesterday's Range

Theory: Range expansion produces anxiety and contraction produces frustration. Systematic profit taking occurs at repeatable and measurable ranges.

Plot the tool so the 100% is always at the higher price (for mechanical consistency). Set all curves to equidistant values.

Anchor to 5m bodies or tails. Tail anchoring may produce missed entries, so OK to deduct a number of ticks from the H and L. Deductions should be symmetrical. Example: RTY 10/29/18 had a range of 563t and was producing misses. When 8t were deducted (4t from the H and 4t from the L), the setup gained 2 or 3 winning entries and the planned risk values remained usable (see minimum risk values by product).

Its permitted to plot all 3 ranges (one for each session), but only 1 type may be extended to the right.

Primary curve values:

50%, 150%, -150%, 200%, -200%.

Secondary values:

25%, 75%, 125%, -125%, 175%, -175%. For larger ranges.

Tertiary values:

12.5%, 37.5%, 62.5%, 87.5%. All inside. For larger ranges and/or when an inside day is expected. Do not use when RTY 1/8 R is 20t or less (go to secondary set).

0% and 100% are not logged as range values. 0% is yesterday's L. 100% is yesterday's H.

Uses simple S/R tactics (limit for the pivot, limit for the BOPB continuation).

Curve selection is determined with the setup logs. 1/8 ranges might be too tight and/or see a lot of chop inside, but even if 1/4 ranges are selected, it might be an 1/8 range curve that sets up a H/LOD.