



Opening Range Breakout Day-Trading System User Guide

Version 4.90, Update 1.05.02

Release Date: February 20, 2023

Update Notes: (v 4.6)

- a) Warning Messages added for wrong symbol and expiration contract, wrong trade size, and wrong bar interval. Messages appear at top of chart. Strategy is disabled if an error occurs.
- b) Minor market texture adjustments for entry time, risk management, and early profit exits. (see below)

Update Notes: (v 4.67)

- a) CPU Code Optimization
- b) Adjusted short early profit dollars

Update Notes: (v 4.7)

- a) User guide update for automation settings
- b) Adjusted early profit targets – see below

Update Notes: (v 4.8)

- a) Reduced Order Generation during Automation resulting in faster code execution

Update Notes: (v 4.90)

- a) Disabled Intraday Order Generation
- b) Strategy Automation Property Settings Lockouts

New Version Import and Installation:

As this strategy evolves and market conditions change, new versions will be sent out that need to be installed into your TradeStation and applied to your chart. First, you will need to download the new version 'ELD' file onto your computer. Then click the 'ELD' file to start the install wizard. Once it has been installed, open the strategy workspace, right-click on the chart, and go to 'Studies~Edit Strategy', remove the old version and click 'Close'. Then right-click on the chart again and select 'Studies~Add Strategy', select the new version, then re-enable the strategy automation checkboxes, and click 'Close'. You are now ready to trade.

Please review our Disclaimer page located here:

https://s3.amazonaws.com/media.hamzeianalytics.com/HA_Disclaimer.jpg

Be sure to read each of the “Important Notes” below:

This daytrading system runs on Windows 11 Pro & TradeStation v10 Update 68 (10.00.04.1148) released on January 6, 2023. Please make sure your TradeStation version matches ours.

Avoid using MSFT OneDrive and/or DropBox:

It is highly recommended that cloud storage services like MSFT OneDrive or DropBox NOT be used as the default drives for accessing files related to TradeStation. Your TradeStation has to be installed AFTER these cloud services are disabled. THIS IS CRUCIAL. Using these services can cause unstable behaviors that can be difficult to troubleshoot. Always use your local hard drives (preferably SSDs) for TradeStation installation, backups, and all other supporting files. Use a thumb drive to keep a copy of your most recent TS Archives outside of your trading PC in case of massive crash or ransom-ware attack.

Strategy Goals and Description:

This day-trading strategy is a long-short multi-contract opening range channel breakout strategy designed exclusively for the NASDAQ Futures (NQ or MNQ). The entry levels are identified in the first few bars of the regular stock market session starting from 9:30 am ET. The trade entry signal is only active for a limited time, after which this strategy will not trigger any entries in that session.

It is important to note that this updated version of ORB strategy needs to use the ‘Globex’ overnight session symbol: (e.g., MNQH23 or NQH23). Note: The TradeStation .D extension to the symbol is NOT allowed.

The strategy has multiple layers of safety stops and profit target exits, based on the number of contracts specified at each of the three exit levels.

Once the first stop loss is hit, the strategy is finished trading for that day or depending on market conditions, the strategy can reverse in the opposite direction of the first trade when the opposite opening range channel is hit.

Please Note: There is no way anyone or any system can always be perfectly aligned with an ever-changing "Market Texture", of price action and volatility.

What this system attempts to provide is an evidence-based back-tested set of rules and historical "baseline" performance that occasionally over time will need to be adjusted and tweaked to help better reflect current market conditions.

One Winning Trade Per Session:

This strategy is designed to capture one **winning** trade per trading session. Once the strategy closes a winning, the strategy is done for the session.

Reversing: (now active in the current release version 4.90)

When the first trade of session is a losing trade, the strategy will take a second trade in the same session if the opposite entry level is hit. This has the potential for two losing trades in one day, and larger account drawdowns are possible.

Strategy Restrictions:

This strategy is provided to you with the following restrictions:

1. The strategy does NOT run on Wednesdays
2. You are urged to avoid 'holiday' days with short sessions
3. The strategy can only be run on only **one** trading account
4. The strategy can only trade the number of contracts allowed
5. The strategy can only trade the 'NQ' or 'MNQ' NASDAQ-100 futures
 - a. Current Contract TradeStation Symbols are:
 - i. NQH23 & MNQH23 – good through Friday March 10th
 - ii. NQM23 & MNQM23 – starting Monday Jun 12th
6. The strategy will only operate on a '3-minute' interval chart
7. The strategy can only trade 3 NQ or up to 30 MNQ Futures contracts
8. There may be other size restrictions depending on your level of service

Entry Window:

The strategy calculates an opening range channel that enters long at the upper end of the channel and enters short at the lower end of the said channel. The channel levels are built from 9:30 am ET until the trade window start time at 9:42 am ET. The trade window is open from 9:42 am ET until 10:30 am ET. After 10:30 am ET, no new entries are allowed.

Strategy Inputs:

TradeUnits(3)

The TradeUnits input allows you adjust the trade size when ONLY trading the Micro NASDAQ contract (MNQ). You can set the trade units for up to 30 micro contracts, (which is equivalent to 3 E-mini; NQ contracts). The TradeUnits input value must always be divisible by 3.

The current strategy as licensed allows you to only trade a maximum or the equivalent of 3 E-mini 'NQ' futures contracts.

Trade Size Structure:

The strategy divides the initial entry trade size into a three-level multi-level exit system. The contracts in each exit group will exit based on the various profit exit schemes described below.

Exit Unit One Contracts – 1/3 of initial position

Exit Unit Two Contracts – 1/3 of initial position

Exit Unit Three Contracts – 1/3 of initial position or any remaining contracts

Safety Stops:

There is always a fixed dollar safety 'stop loss' money management exit that is active from the point of entry until the first profit target is hit. This amount can be slightly different for a long or a short position. The stop loss closes the entire initial position.

Risk Management:

Based on current market conditions, the system stop loss is set at \$3,000 for 3 E-mini (NQ) long trades, and \$3,000 for 3 E-mini (NQ) short trades. Similarly, it is set at \$300 for 3 E-mini micro (MNQ) long trades, and \$300 for 3 E-mini micro (MNQ) short trades. There is also a fixed time exit at 12:00 pm ET which closes all remaining contracts regardless of the current profit or loss.

Reversing Rules are ON:

Keep in mind that reversing trade rules are turned on, and the maximum loss in one session if both trades hit the stop is \$6,000 for 3 NQs or \$600 for 3 MNQs.

The safety Stop Loss exit is no longer relevant once the strategy hits the first unit one profit exit. Once the first unit profit exit is hit, the remaining units are protected by a trailing breakeven (BE) stop.

Profit Targets:

Each exit group has a unique set of rules for capturing profits.

Profit Exit One:

Exit Unit One has four potential exit rules:

1. An Early Fixed Profit Target based on current market conditions, is set to close 'unit 1 contracts' long (E-mini NQ) with an \$1,400 profit and close 'unit 1 contracts' short (E-mini NQ) with a \$800 profit. And similarly, an \$0 profit for long for (MNQ) contracts and a \$80 profit for short (MNQ) contracts.
2. An early volatility exit based on the opening range which is only active for a short time until 11:00am ET.

Note: Once any of the unit one profit targets have been hit, the strategy puts in place a breakeven trailing stop on balance of contracts to protect and lock in profits for that day.

Profit Exit Two: (active only after Profit Exit One has been hit)

Exit Unit Two has three potential exit rules:

1. DMZ indicator level exit – exit at slow DMZ
2. Change of momentum-based profit target.

Note: These 'Exit Two' exits are only active after one of the 'Exit One' exits have been hit.

Profit Exit Three: Any and All Remaining Profitable Units:

1. Breakeven trailing stop closes all remaining contracts.
2. Fixed time exit at 12:00 pm ET closes all remaining contracts.

Note: Normally, the worst you can do is breakeven, on the balance of contracts, once the first profit target is hit.

Signal Names:

Each time the strategy generates a filled strategy trade, 'Signal' names are displayed in the chart to show you which signal in the strategy logic generated the order. The number you see with the signal name is the number of remaining contracts the strategy is still long or short after that signal.

Here are the signal names that can be generated by this strategy:

Entries:

"LE" – Long entry

"SE" – Short entry

Safety Stops:

"StopLoss" – Both long and short safety stop on the bar of entry only

"Stp LX" – Long safety stop on all other bars

"Stp SX" – Short safety stop on all other bars

Profit Targets:

"EarlyPrft LX" – Long Fixed Profit Based on Stop Loss amount - can be hit anytime

"EarlyPrft SX" – Short Fixed Profit Based on Stop Loss amount - can be hit anytime

"EarlyVol LX" – Long volatility-based profit level – only initial stages of the trade

"EarlyVol SX" – Short volatility-based profit level – only initial stages of the trade

"DMZ LX" – Long profit momentum-based on HAPI_DMZ - unit 2 contracts

"DMZ SX" – Short profit momentum-based on HAPI_DMZ - unit 2 contracts

"BETrl LX" – Long profit breakeven trailing exit for any remaining contracts

"BETrl SX" – Short profit breakeven trailing exit for any remaining contracts

Time Exit:

"EOS LX" – Long end-of-trading-session window exit for any remaining contracts

"EOS SX" – Short end-of-trading-session window exit for any remaining contracts

Important Note: If the first profit target is never hit, it is possible that the 'Exit 3' time exit could close all contracts for a profit or loss. But that loss would never be more than the safety stop that is in place.

Important Note: If for any reason you still have any open contracts or strategy orders after 12:16pm ET, you need to manually close those contracts, cancel any open strategy orders, and then try to determine why that happened.

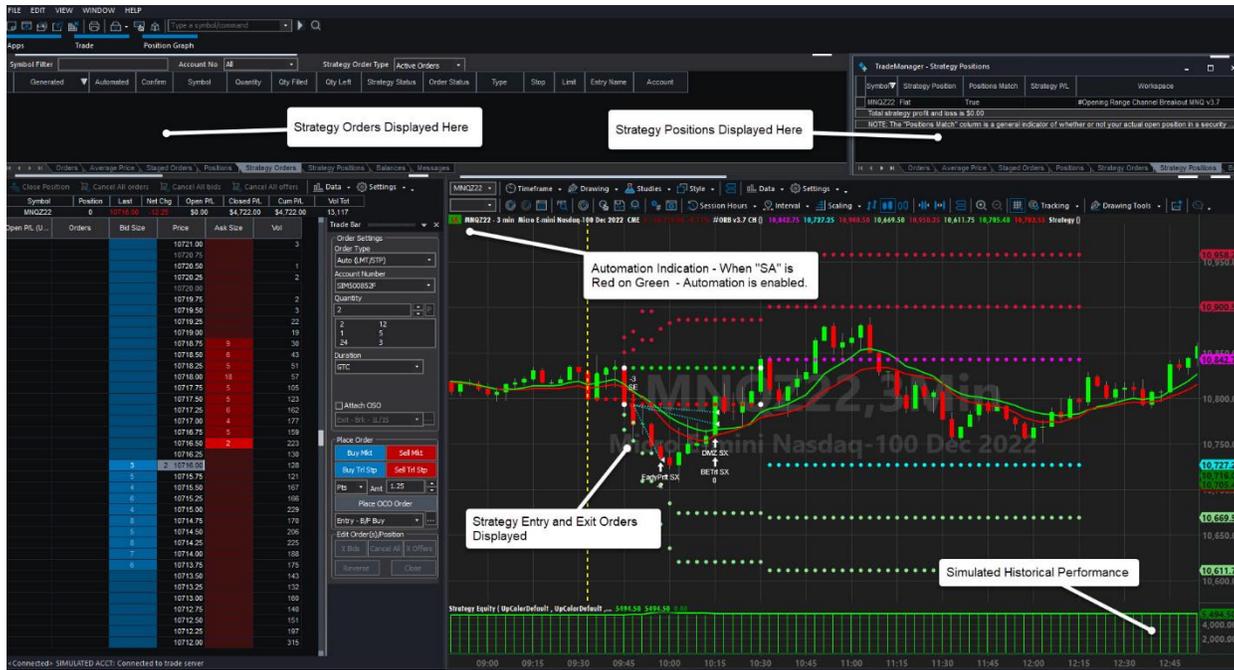
Important Note: You should NEVER EVER manually trade the same symbol (NQ or MNQ), in the same account, that this strategy is actively automating. This will certainly result in the strategy getting mixed up and orders will not be generated correctly. If you do decide to intervene, be sure to turn off the strategy automation FIRST before making any manual trades.

Important Note: Keep in mind that fast market conditions, software, power outage and other technical issues can result in order confusion, or, in larger than expected losses. Losing internet or broker connectivity is the primary risk when running a trading system, as are all orders generated from your computer. It is advised that you always be present when the strategy is running and that you have the broker's mobile app and phone number ready in case positions need to be closed or orders cancelled manually.

Strategy Automation Best Practices

- a. **Always be present when the strategy is actively generating orders.**
- b. **Make sure your cell phone is receiving TradeStation order notifications.**
- c. **If you are away from your computer during active automation (bad idea), or you lose connectivity to TS for any reason; you can always stop the strategy by logging onto the TS mobile device, which will disconnect your computer/strategy from TradeStation, you can then close positions and cancel orders.**
- d. **We recommend that you automate the strategy initially in the TradeStation trade simulator until you are familiar with the workspace, automation settings, and order behavior.**
- e. **Run the strategy for a while on the micro symbol MNQ (1/10 the size of NQ) until you are very comfortable with strategy setup, monitoring order behavior, and shutting the strategy down if necessary.**

Workspace Layout:



We recommend that you use the provided workspace for order automation, and **DO NOT SAVE** this workspace when exiting TradeStation - to preserve the original workspace provided with your subscription.

Strategy Property Settings: (General Tab)

You can find the strategy properties button on the Customize Strategy dialog.

By default, the workspace provided has the proper TradeStation 'General' strategy property settings selected. It is recommended that you do not change these settings.

Make sure that the "Use Look-Inside-Bar Back-Testing" check box is always **unchecked**.

The screenshot shows the 'Strategy Properties for All Strategies on this Chart' dialog box with the 'General' tab selected. The 'Back-testing resolution' section contains the 'Use Look-Inside-Bar Back-testing' checkbox, which is unchecked. A callout bubble points to this checkbox with the following text:

The Settings on this dialog should not, and do not need to, be changed.

Make sure that the "Use Look-Inside-Bar Back-Testing" check box is always unchecked.

The dialog also includes sections for 'Currency' (Base currency: Symbol (USD)), 'Costs/Capitalization' (Commission: \$ per Trade, Position Slippage: \$ 0, Initial: \$ 100,000, Interest: 2%), 'Position limits' (Allow up to 50 entry orders, Maximum shares/contracts/units per: 65,000), and 'Trade size' (Fixed Shares/Contracts/Units: 1, USD per trade: \$ 10,000, nearest 100 shares/contracts/units).

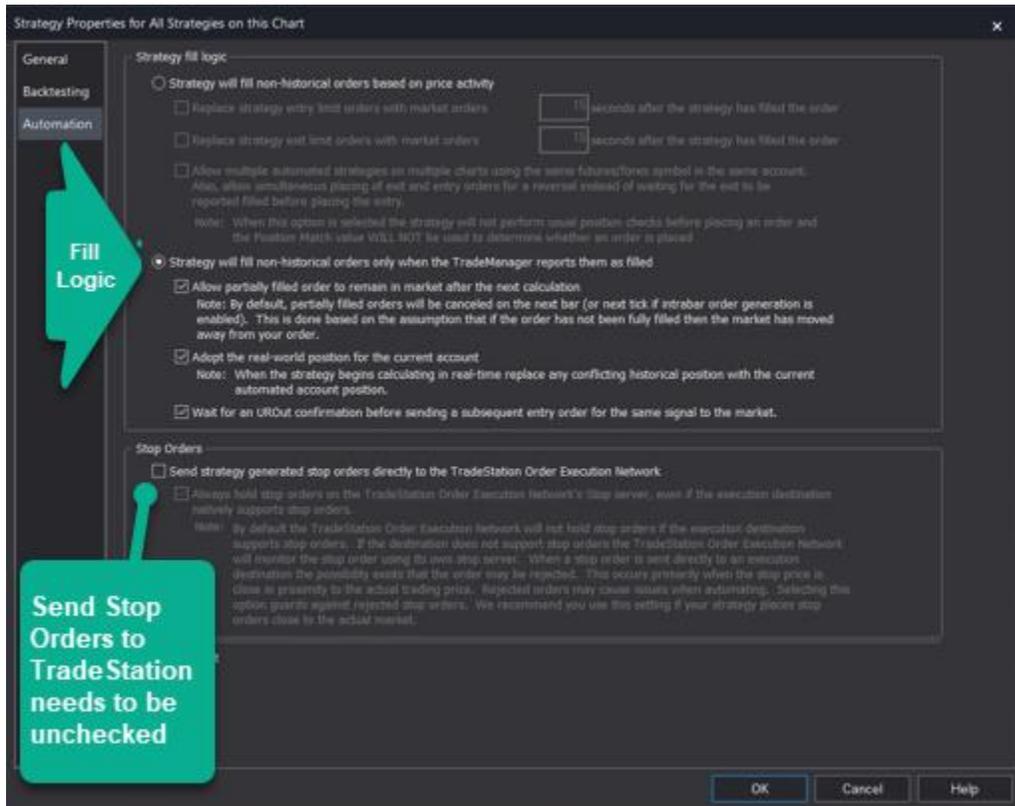
Strategy Property Settings: (Automation Tab)

There are three strategy properties tabs; General (settings not used), Backtesting (settings not used) and 'Automation' (proper settings required).

You can find the strategy properties button on the Customize Strategy dialog.

By default, the workspace provided has the proper TradeStation 'Automation' strategy property settings selected. It is recommended that you do not change these settings.

Verify that the second radio button for Strategy Fill Logic is selected and that the Send Stop Orders to TradeStation checkbox is unchecked. As shown here below.



Strategy Customize Settings: (Calculation Tab)

The current version of the strategy no longer uses intra-bar-order-generation, so this setting is not available.

Warning Messages:

Warning message will appear at the top of the chart whenever one of the following errors occur:

1. Wrong Trade Size – This can be adjusted in the strategy inputs.
2. Wrong Bar Interval – This can be adjusted in the Symbol settings or just click on the chart and type “3 min” and hit enter.
3. Wrong Symbol or Symbol Expiration - This can be adjusted in the Symbol settings or just click on the chart and type the correct symbol and hit enter.





Terms of Use:

Keep in mind that this strategy is always under development and refinement, and updates will be provided when available as needed. Strategy software updates are designed to adjust the strategy to reflect the current market conditions.

Hamzei Analytics LLC is not responsible for any money you may lose for any reason when trading this strategy. You alone take on the full risk and responsibility of your trades.

By trading this strategy, you agree that you understand, and agree to, all the information and conditions in this document and on our website: <http://www.hamzeianalytics.com>

Thank you for subscribing to this strategy.