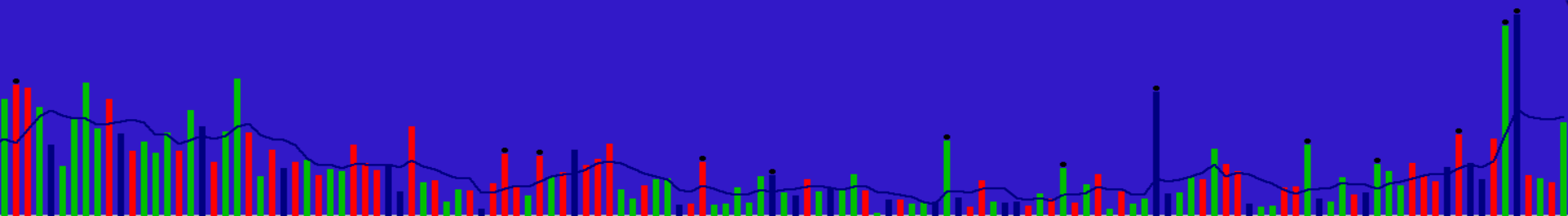




EMINI SUCCESS FORMULA

Volume Spike Breakout / Breakdown Trading Strategy



“Price Action: Three Primary Trends in the Markets!”

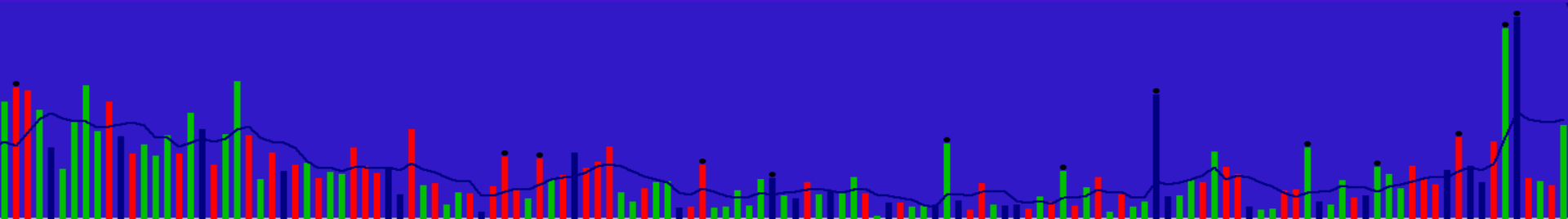
There are only Three (3) Primary Trends in the Markets:

- 1) UP Trend – A Series of ‘Higher Highs’ and ‘Higher Lows’
- 2) DOWN Trend – A Series of ‘Lower Highs’ and ‘Lower Lows’
- 3) SIDWAYS Trend – A Series of relatively ‘Equal Highs’ and ‘Equal Lows’

New Highs and New Lows are continuously being formed in the Markets. At these levels Volume is either Confirming or Questioning the sustainability of the Price Action. Above Average Volume (Volume Spike) occurring at these levels may be a leading sign of a Potential Major Price Movement.

Volume reinforces Price Action!

Volume Spikes precede Major Price Movements!



Volume Principles

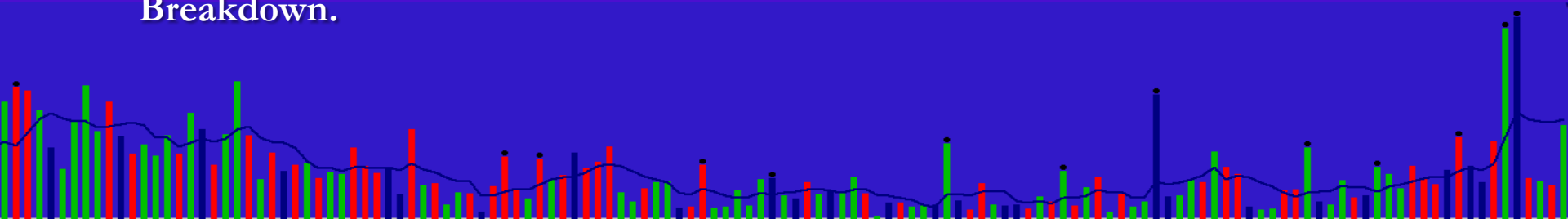
“Volume: The Most Valuable Key to Successful Chart Reading!”

To Successfully know when to Trade Breakouts and/or Breakdowns...

You need to understand Volume Analysis and some Basic Principles of Volume!

Basic Principles of Volume:

- Volume reveals what the Institutional Traders are doing (‘True’ Supply and Demand).
- Volume Confirms or Questions the sustainability of Price Action. When Institutional Traders Buy and Sell, they often Stimulate surges in Volume... Potentially setting up a Dynamic Price Move.
- Without higher than normal Volume on a Breakout and/or Breakdown, Price moves are likely to prove false (Head-fakes).
- Heavy Volume on (Upside) Breakouts or (Downside) Breakdowns indicates Potential Further Price Movement in the direction of the Breakout and/or Breakdown.





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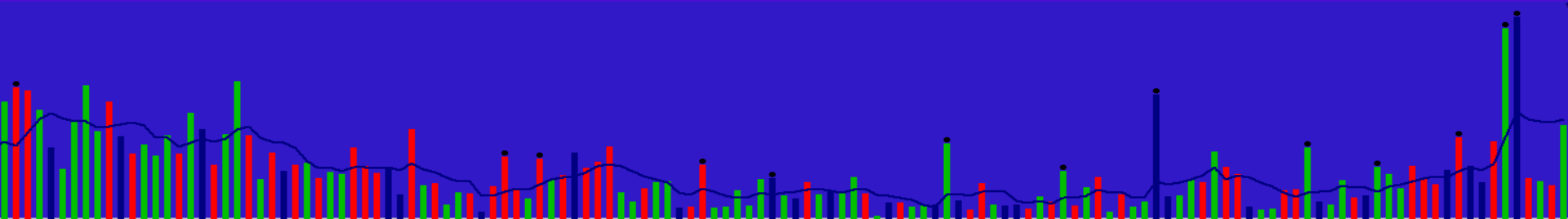
Volume Spike Breakout Trading Strategy

“Take Advantage of Upside and/or Downside Momentum Moves Early On!”

These Upside and/or Downside Momentum Moves typically occur 2 to 3 times a Day in the E-Mini S&P 500 Futures Contract!

Trading Hours:

- There is a Higher Probability of the Trade following through from 10:00am ET to 11:30am ET and again from 1:30pm ET to 3:45pm ET.
- There is a Lower Probability of the Trade following through during the Mid Day Doldrums 12:00pm ET to 1:00pm ET.

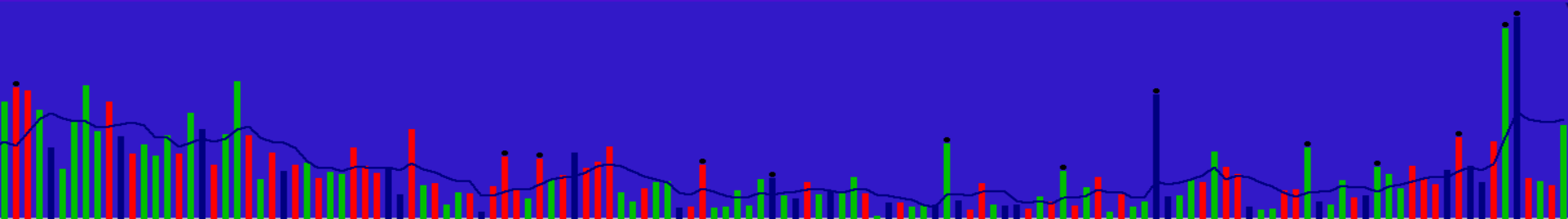




Volume Spike Breakout Trading Strategy

Volume Spike Breakout Trading Strategy Indicators:

- **PRICE**
 - Penetrating UP through New Highs or DOWN through a New Low
 - Potentially changing Trend or Breaking Out of a Trading Range (Consolidation)
- **VOLUME**
 - Trigger: Volume > 1.618 times a 6 Period Simple Moving Average of the Volume
- **KELTNER CHANNEL BANDS**
 - Mid Keltner Channel = 16 Exponential Moving Average
 - Factor/Offset = 1.3
- **AVERAGE TRUE RANGE (ATR)**
 - A Simple Moving Average of 16 True Ranges

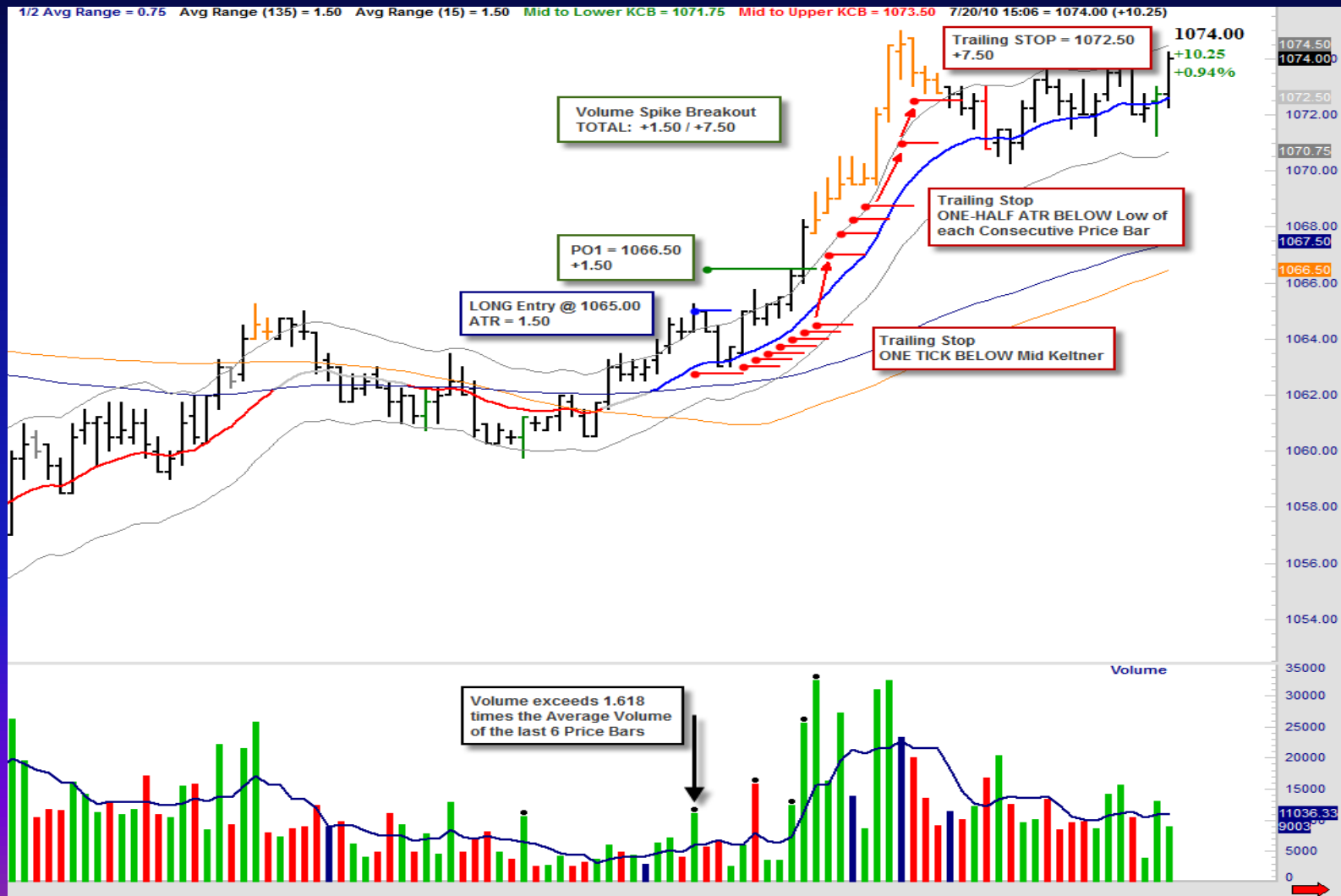




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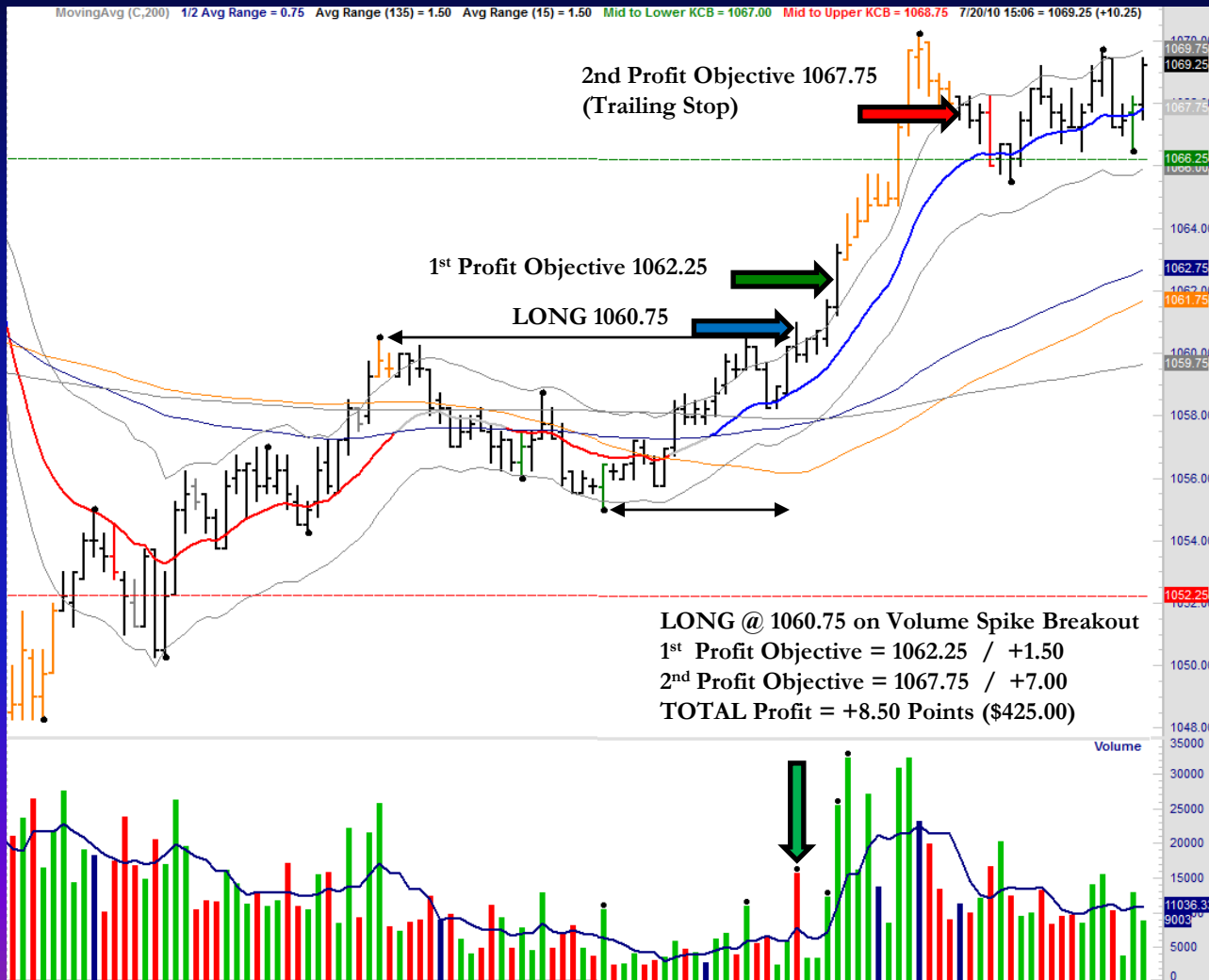
Volume Spike Breakout Trading Strategy - LONG

Volume Spike Breakout Trading Strategy – LONG Entry:



Volume Spike Breakout Trading Strategy - LONG

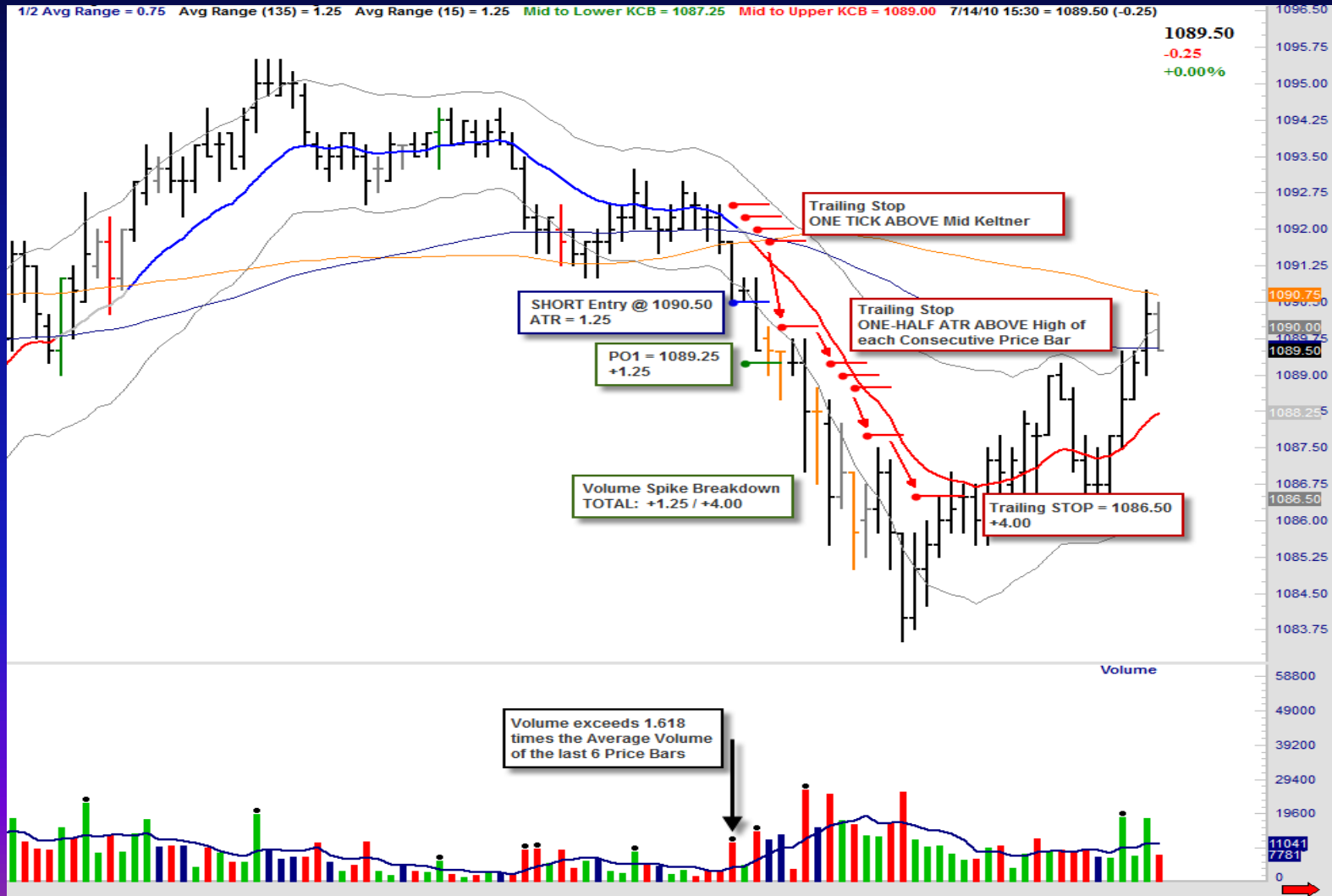
Volume Spike Breakout Trading Strategy – LONG Entry:





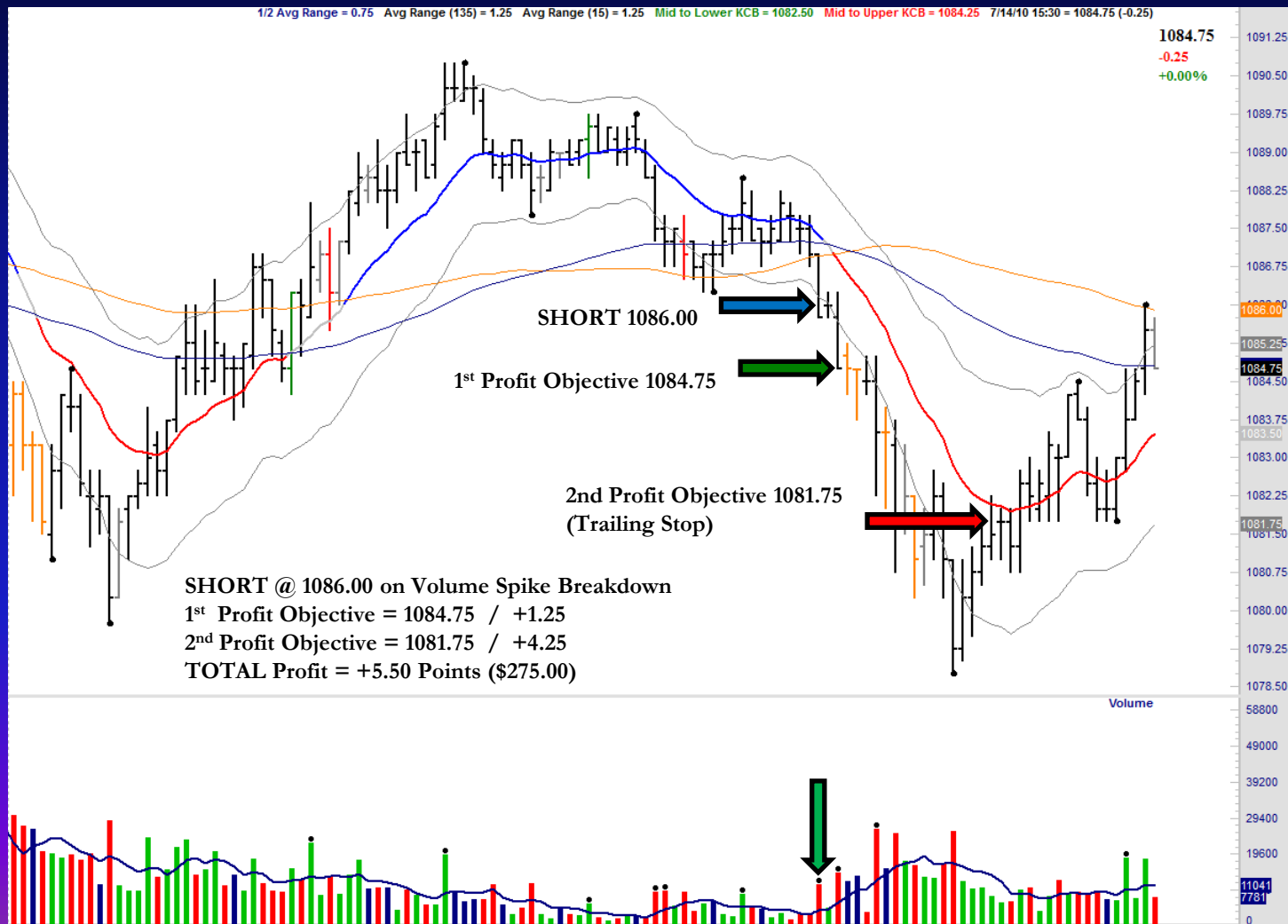
Volume Spike Breakout Trading Strategy - SHORT

Volume Spike Breakout Trading Strategy – SHORT Entry:



Volume Spike Breakout Trading Strategy - SHORT

Volume Spike Breakout Trading Strategy – SHORT Entry:





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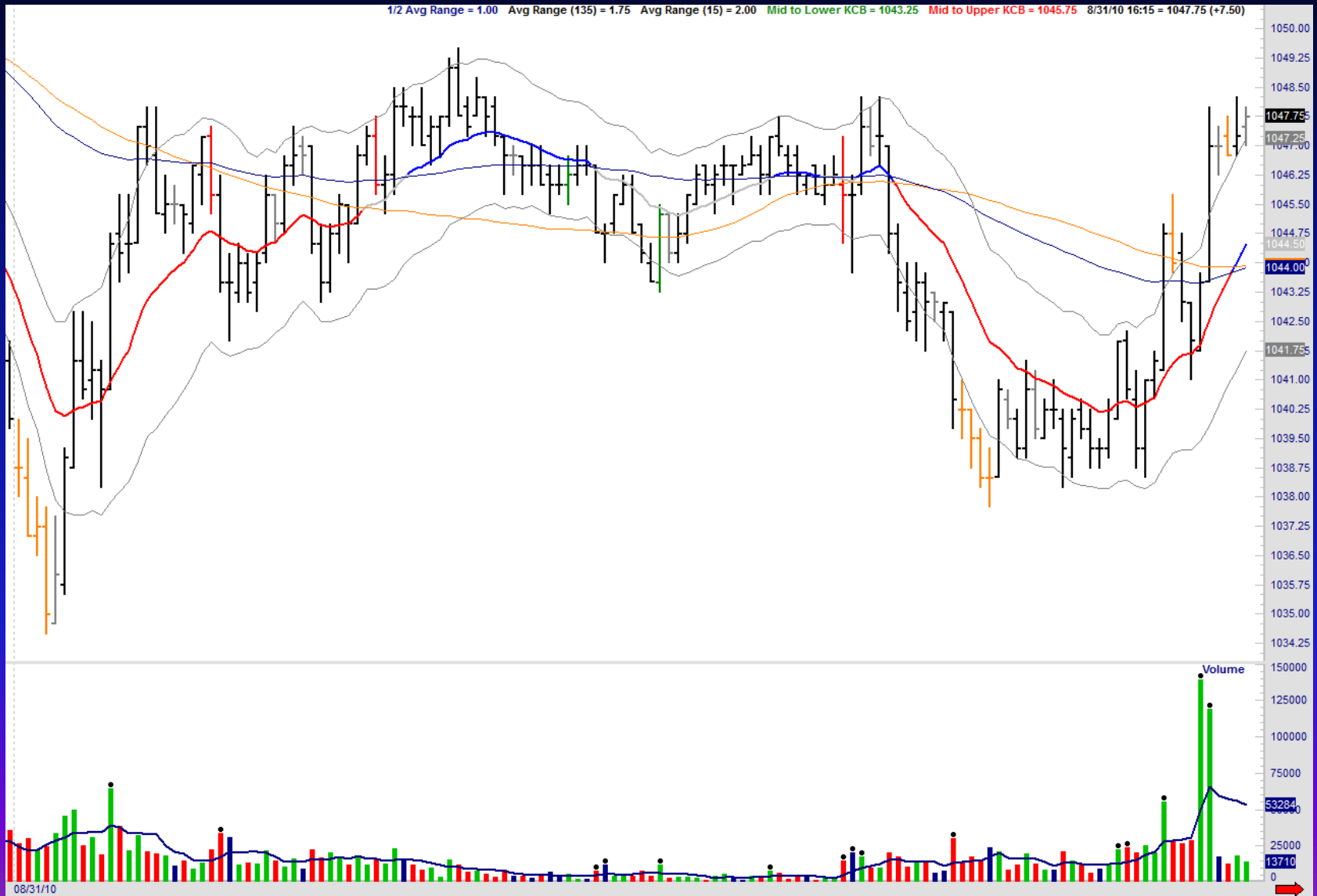
Volume Spike Breakout Trading Strategy





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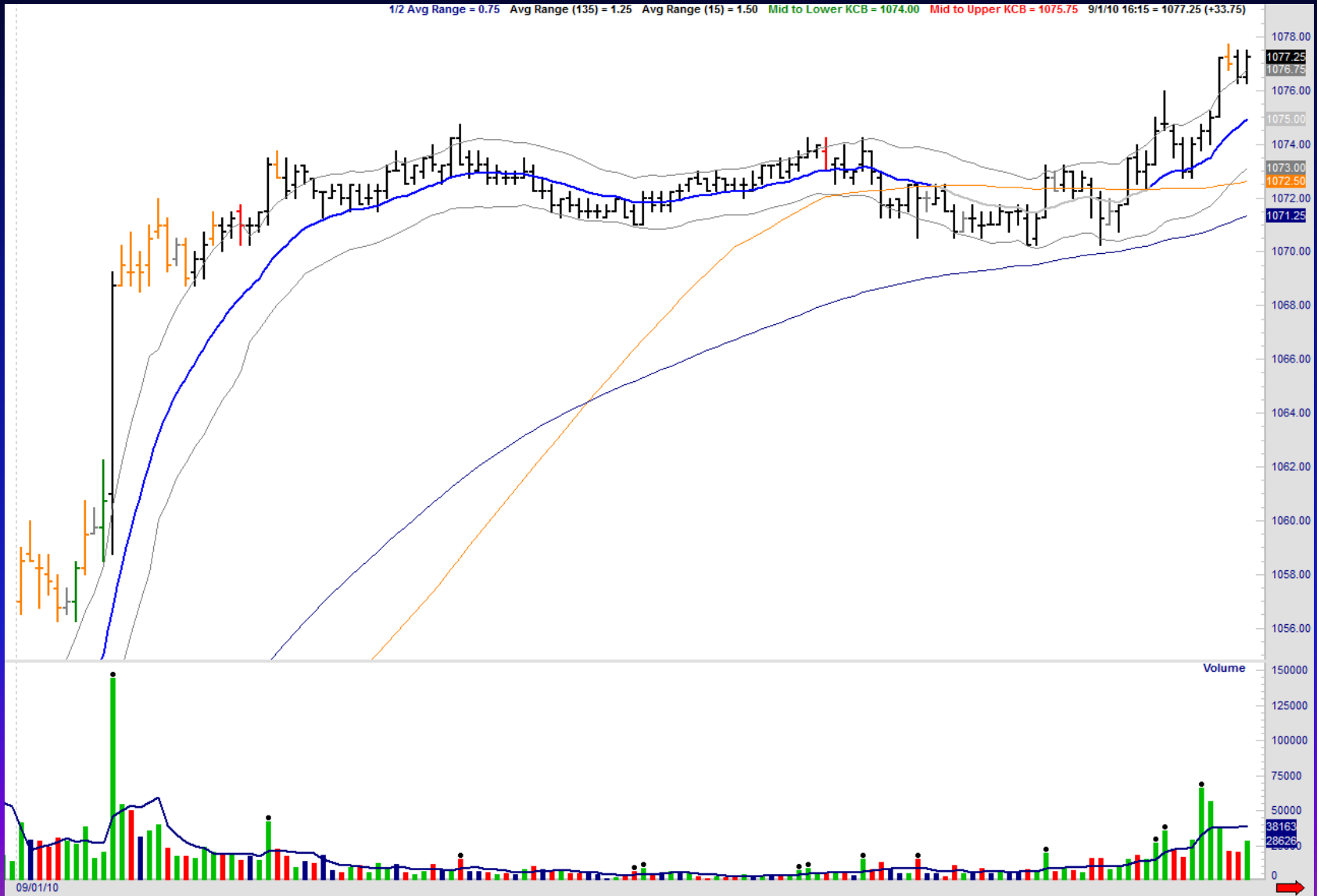
Volume Spike Breakout Trading Strategy





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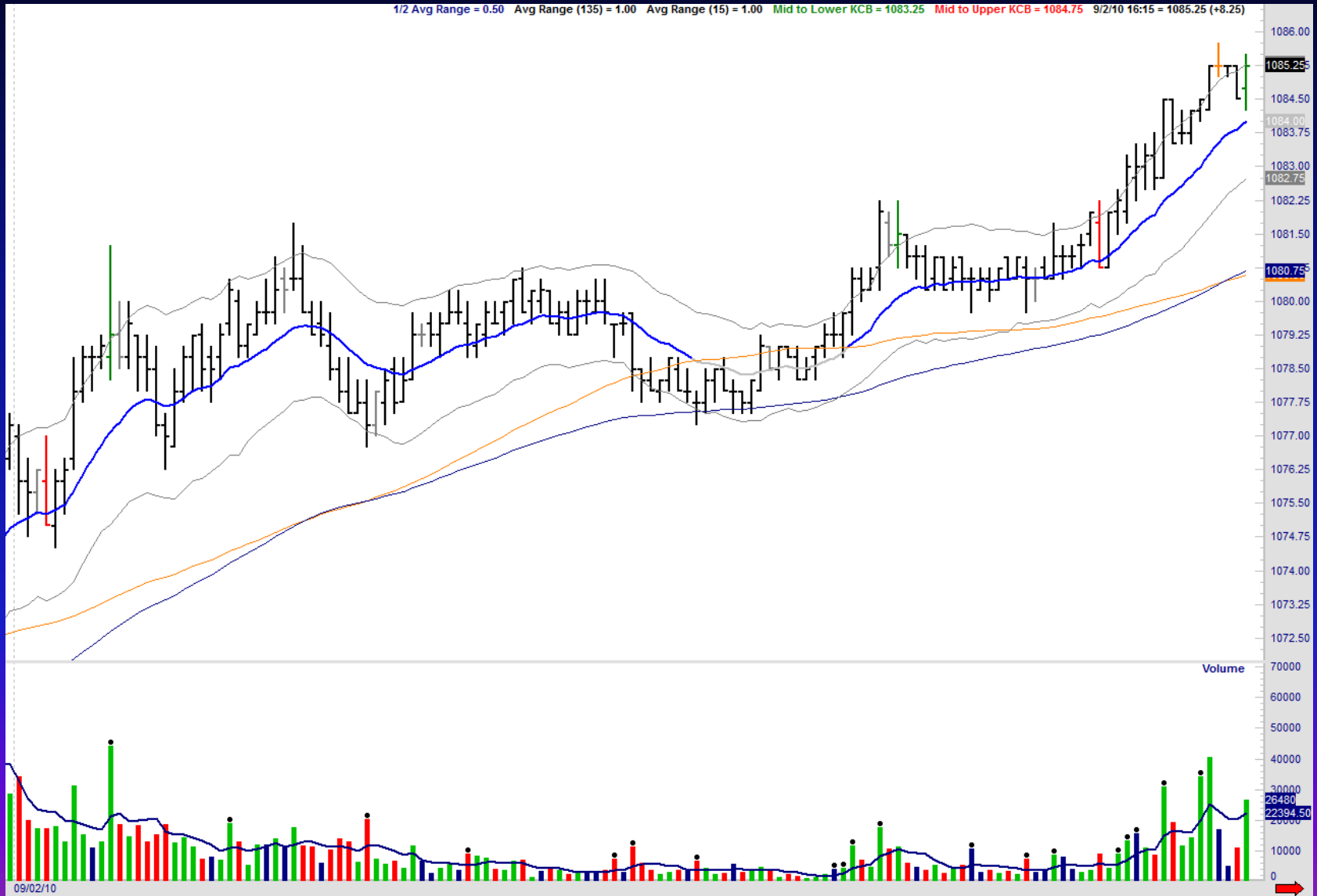
Volume Spike Breakout Trading Strategy





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Volume Spike Breakout Trading Strategy



CHECKLISTS

VOL B/O	TRADING CHECKLIST	LONG
	VOLUME SPIKE BREAKOUT TRADING STRATEGY - LONG ENTRY	
	<p>Volume Spike Breakout Trading Strategy - This Trade Strategy takes advantage of capturing a potential Momentum Move early on and/or capturing a potential change in Trend from DOWN to UP early on.</p>	
NOTES:	<p>There is a Higher Probability of the Trade following through from 8:30am CT to 10:30am CT and again from 12:30pm CT to 2:45pm CT. There is a Lower Probability of the Trade following through during the Mid Day Dollars 10:30am CT to 12:30pm CT (especially during the Summer Months).</p>	
	<p>LONG Trade Setup / Entry / Trade Management:</p> <p>Volume exceeds 1.618 Times the Average Volume of last 6 Price Bars (VOLUME SPIKE); WHEN Price Action is penetrating UP thru a New High in an UP Trend, OR WHEN the Context of the Market (Trend) is potentially changing from DOWN to UP, OR WHEN Price Action is Breaking Out of a Consolidation to the UP Side (NOTE: Price Action will typically be trading at and/or may be just starting to penetrate UP thru the Upper Keltner Channel Band)</p>	
TRADE ENTRY:	<p>THEN: ENTER LONG Immediately once Volume exceeds 1.618 Times the Average Volume, OR ENTER LONG on the CLOSE of the Price Bar of the VOLUME SPIKE</p>	
	<p>STOP: One-half (1/2) Average True Range (ATR) BELOW the Low of the Entry Bar, OR One TICK BELOW the Mid Keltner, whichever is further from Trade Entry</p>	
TRADE MANAGEMENT:	<p>Trail Stop UP ONE TICK BELOW the Mid Keltner until 1) an IVB, or 2) a Price Bar trades COMPLETELY ABOVE the Upper Keltner Channel Band, THEN Trail Stop UP 1/2 ATR BELOW the Low of each Consecutive Price Bar</p>	
PROFIT:	<p>PO1: One Average True Range (ATR) PO2: Trailing Stop (see Stop above)</p>	

VOL B/O	TRADING CHECKLIST	SHORT
	VOLUME SPIKE BREAKOUT TRADING STRATEGY - SHORT ENTRY	
	<p>Volume Spike Breakout Trading Strategy - This Trade Strategy takes advantage of capturing a potential Downside Momentum Move early on and/or capturing a potential Change in Trend from UP to DOWN early on.</p>	
NOTES:	<p>There is a Higher Probability of the Trade following through from 8:30am CT to 10:30am CT and again from 12:30pm CT to 2:45pm CT. There is a Lower Probability of the Trade following through during the Mid Day Dollars 10:30am CT to 12:30pm CT (especially during the Summer Months).</p>	
	<p>SHORT Trade Setup / Entry / Trade Management:</p> <p>Volume exceeds 1.618 Times the Average Volume of last 6 Price Bars (VOLUME SPIKE); WHEN Price Action is penetrating DOWN thru a New Low in a DOWN Trend, OR WHEN the Context of the Market (Trend) is potentially changing from UP to DOWN, OR WHEN Price Action is Breaking Down of a Consolidation to the DOWN Side (NOTE: Price Action will typically be trading at and/or may be just starting to penetrate DOWN thru the Lower Keltner Channel Band)</p>	
TRADE ENTRY:	<p>THEN: ENTER SHORT Immediately once Volume exceeds 1.618 Times the Average Volume, OR ENTER SHORT on the CLOSE of the Price Bar of the VOLUME SPIKE</p>	
	<p>STOP: One-half (1/2) Average True Range (ATR) ABOVE the High of the Entry Bar, OR One TICK ABOVE the Mid Keltner, whichever is further from Trade Entry</p>	
TRADE MANAGEMENT:	<p>Trail Stop DOWN ONE TICK ABOVE the Mid Keltner until 1) an IVB, or 2) a Price Bar trades COMPLETELY BELOW the Lower Keltner Channel Band, THEN Trail Stop DOWN 1/2 ATR ABOVE the High of each Consecutive Price Bar</p>	
PROFIT:	<p>PO1: One Average True Range (ATR) PO2: Trailing Stop (see Stop above)</p>	

