PREVIEW

Issam Algo

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OPENING RANGE BREAKOUT

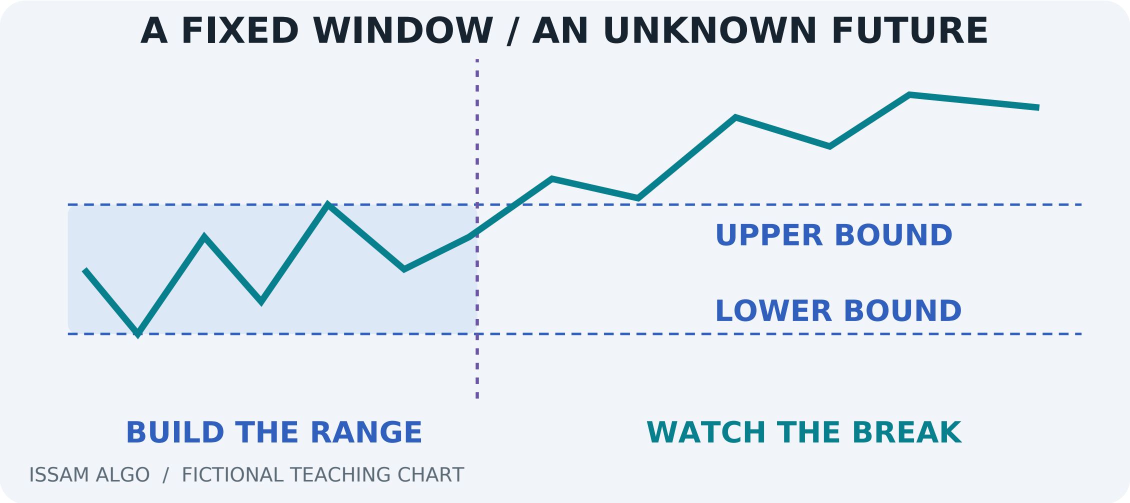
A Practical Illustrated Guide

ISSAM KASSAS

issamalgo.com

One opening window.
Two fixed boundaries.

An opening range is the highest and lowest price traded during a chosen period at the start of a session. An opening range breakout, or ORB, is a move beyond one of those boundaries.



First build the range. Then watch what happens beyond it. This schematic shows one possible upside break.

The time window is the defining feature. Choose it before seeing the later chart. A breakout from any convenient rectangle is not automatically an opening range breakout.

We use the first 15 minutes of a selected regular session. Once those minutes finish, freeze the high and low. Later prices cannot redraw them.

A break may continue or reverse. The rectangle is a reference for decisions, not a forecast or proof that important traders are buying.

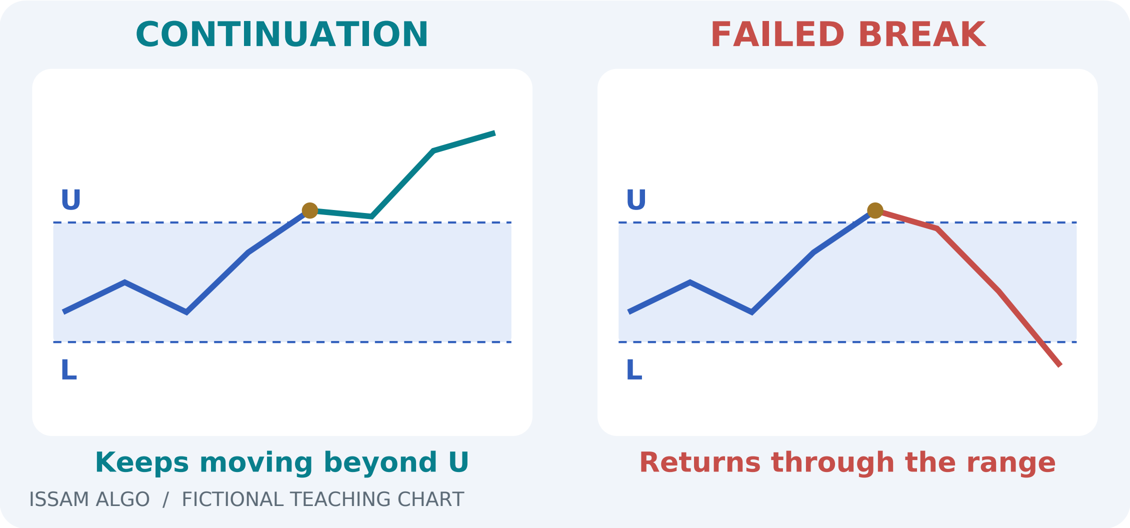
COMMON MISTAKE

Choosing the opening window afterward because it makes a past winner look clean.

PREVIEW

The same breakout can take two paths

At the decision point, the future is hidden. Two charts can share the same opening range and qualifying close, then produce opposite outcomes.



Gold dots mark the same decision point. One path extends beyond U; the other returns through the range. Schematic alternatives.

A continuation means price keeps moving in the direction of the break. A failed breakout means that the departure does not persist and price returns inside. These are descriptions of what happened.

A return inside is a warning, but it is not an extra exit rule in our model. After entry, only the fixed stop, target or time exit closes the trade.

Do not add a story about hidden orders to explain the losing path. Plan the response while both paths are still possible.

COMMON MISTAKE

Using the winning continuation to describe what was supposedly obvious at entry.