

Strategy: Parabolic Reversals

Stock Selection

1) Trading Terminal Scanners:

- Extreme Reversals

- RSI Extremes

2) BBT Official Discord server #Reversal-Callouts

3) BBT Chatroom

Setup Identification

- 1) At least three consecutive 5-minute candles
- 2) Reversal candle/ candlestick pattern on the 1-minute chart
- 3) Level/Fake breakout/ Increasing volume on the 1-minute chart
- 4) Intraday move $>$ ATR

Trade Execution

- 1) Entry at the new 1-minute high/low or at the turning point
- 2) Stop loss the high/ low of the previous candle or the high/ low of the previous body
- 3) Target 9EMA on the 5-minute chart

Consideration Notes

- 1) Target should be at least 3R
- 2) Make sure to move stop loss to break even after the stock makes 2R move
- 3) Bail on a new 5m high/low

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If you have any questions,
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