

Trading Plan (BHOD with Scanner)

Description: The **Booty Reversal** is a **reversal strategy** that capitalizes on **higher time frame consolidation** after a **wedge formation**. This setup occurs when a stock trends in one direction, then enters a **tight consolidation or wedge** on a **higher time frame such as the 15-minute chart** before breaking out in the opposite direction.

Time:

- **Best executed after 12:00 PM EST**, when consolidations and reversals are more likely to form.
- However, it **can be executed earlier** on shorter time frames like the **1-minute or 5-minute charts** if conditions align.

Stock Selection:

- Look for a **trending stock** on the **15-minute chart**.
- The stock should show a **consolidation or wedge formation** on the **15-minute chart** before the reversal.

Setup Identification:

- Identify a **Boot formation** on the **15-minute or 5-minute chart**.
- Watch for a **cross of the 50-SMA on the 5-minute chart** with the **9 and 20 EMAs**, signaling a potential momentum shift.
- Look for an **ascending or descending triangle on the 5-minute chart**, which often precedes the reversal.
- **Volume should contract** as the stock consolidates and then **expand as the breakout occurs**.

Trade Execution:

Entry:

- Wait for the **consolidation to tighten**.
- Enter when the **support or resistance level breaks** with confirmation (e.g., strong volume and candlestick confirmation).

Stop Loss:

- Set the stop loss at the **extreme of the previous 5-minute candle** to manage risk effectively.

Target:

- Aim for a **minimum 2:1 risk-to-reward ratio**, ensuring the potential reward outweighs the risk.
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Consideration Notes:

- Ensure there is **enough volume** to support the move; avoid low-liquidity stocks.
- Be cautious of **false breakouts**—look for confirmation from multiple indicators.
- **Market conditions matter**—avoid trading against strong overall market trends.
- Pay attention to **news catalysts**, earnings, or major economic events that may impact stock movement.



