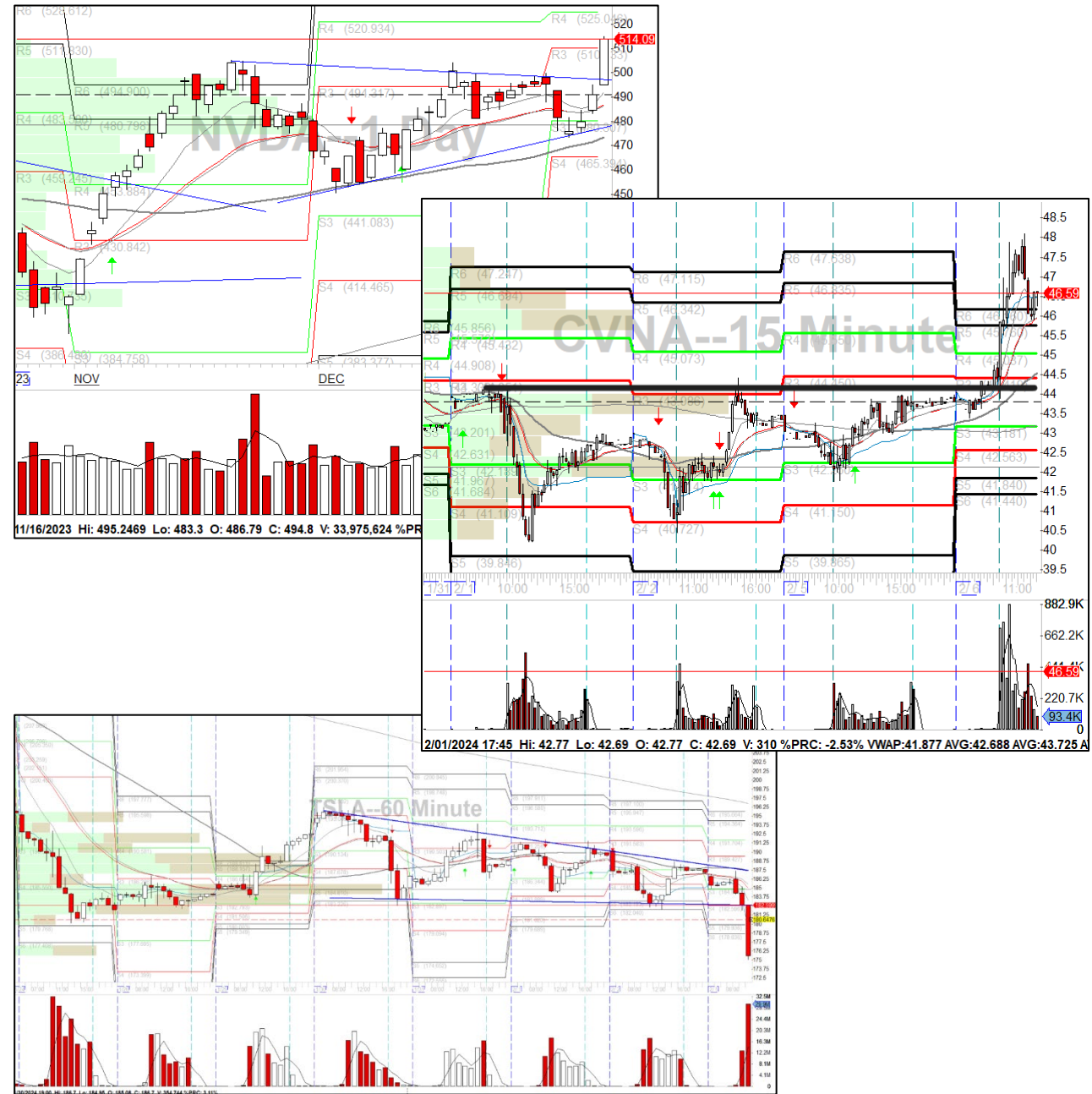


Strategy:

Camarilla Correlated Consolidation Breaks

Stock Selection

- Stocks for this strategy should be in play. Which means:
 - Showing significant pre-market activity, with smooth price action.
 - Over 750k shares traded in pre-market.
 - Accompanying news catalyst is added bonus.
- Price should be gapped out of, or nearing the edges of, a previously established consolidation zone or major trendline.
- Consolidations can be identified as rectangle, wedge, flag, cup-and-handle, and pennant patterns on higher timeframe charts (>15 min). Breaks of a major trendline also constitutes inclusion into this setup.
- Consolidations and trends worth considering should have formed over, at minimum, a 2-3 day period. Longer formation time = greater price movement potential.



Setup Identification

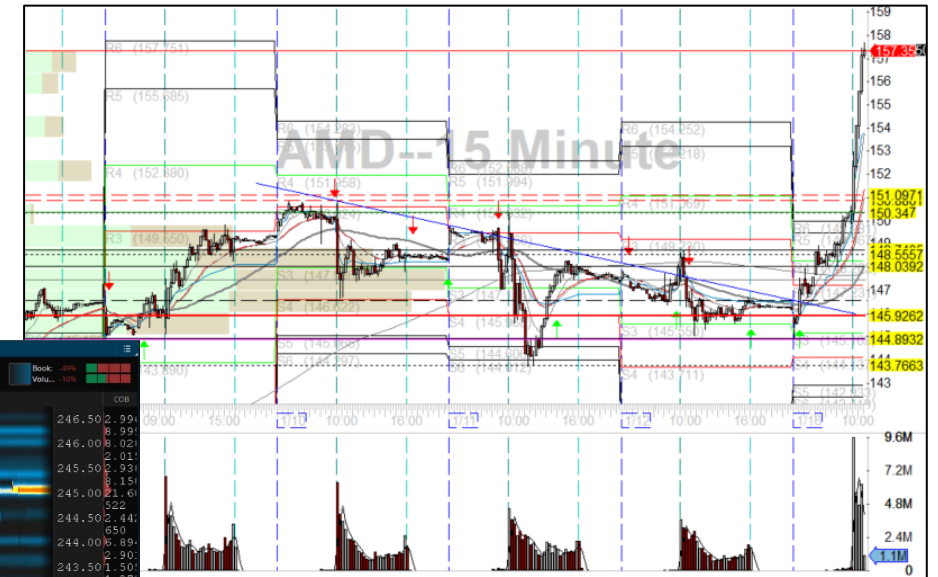
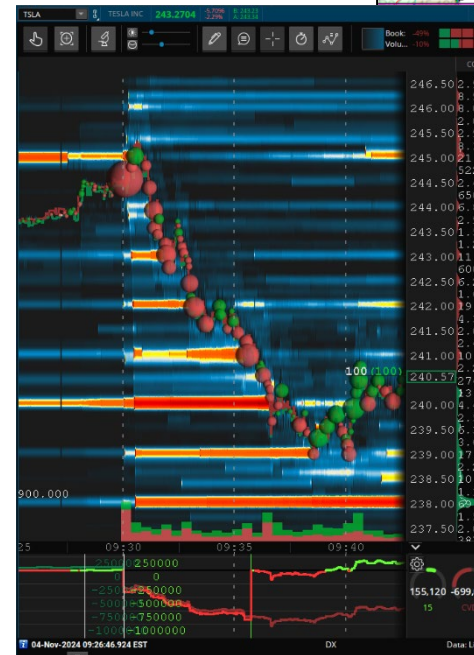
- Time: 9:30 – 10:30 am

Indicators

- Larger time frame consolidation formation over at least a 2-3 day period. Price action moving in tighter and tighter range.
- Price is opening at or outside of major trendline of consolidation area.
- Highly compressed intraday Camarilla Pivots.
- Bookmap and/or L2 show large orders (ie. Liquidity) stacked in anticipated direction of trade.
- Intraday price is opening close to, or just beyond, 4th level Camarilla pivots (R4 or S4).
- Cumulative Volume Delta (CVD) on bookmap is consistent with anticipated price movement (overall green for impending breakout, overall red for impending breakdown).

Confirmations

- Significant volume comes in as price breaks 4th level intraday cam.
- Volume profile is consistent with price movement – increased volumes on advances, decreased on pullbacks.



Trade Execution

Entry Signal

- **Conservative Entry:** Enter at re-test and hold of 4th level Cam pivot.
- **Aggressive Entry:** Enter at first break of 4th level Cam pivot (Riskier).
- **Note:** 4th level Cam should not be very far from consolidation trendline being broken.

Stop Loss

- **Stop should be placed just on the other side of the 4th level cam.** Typically if price fails to continue through, breakout is a failure.

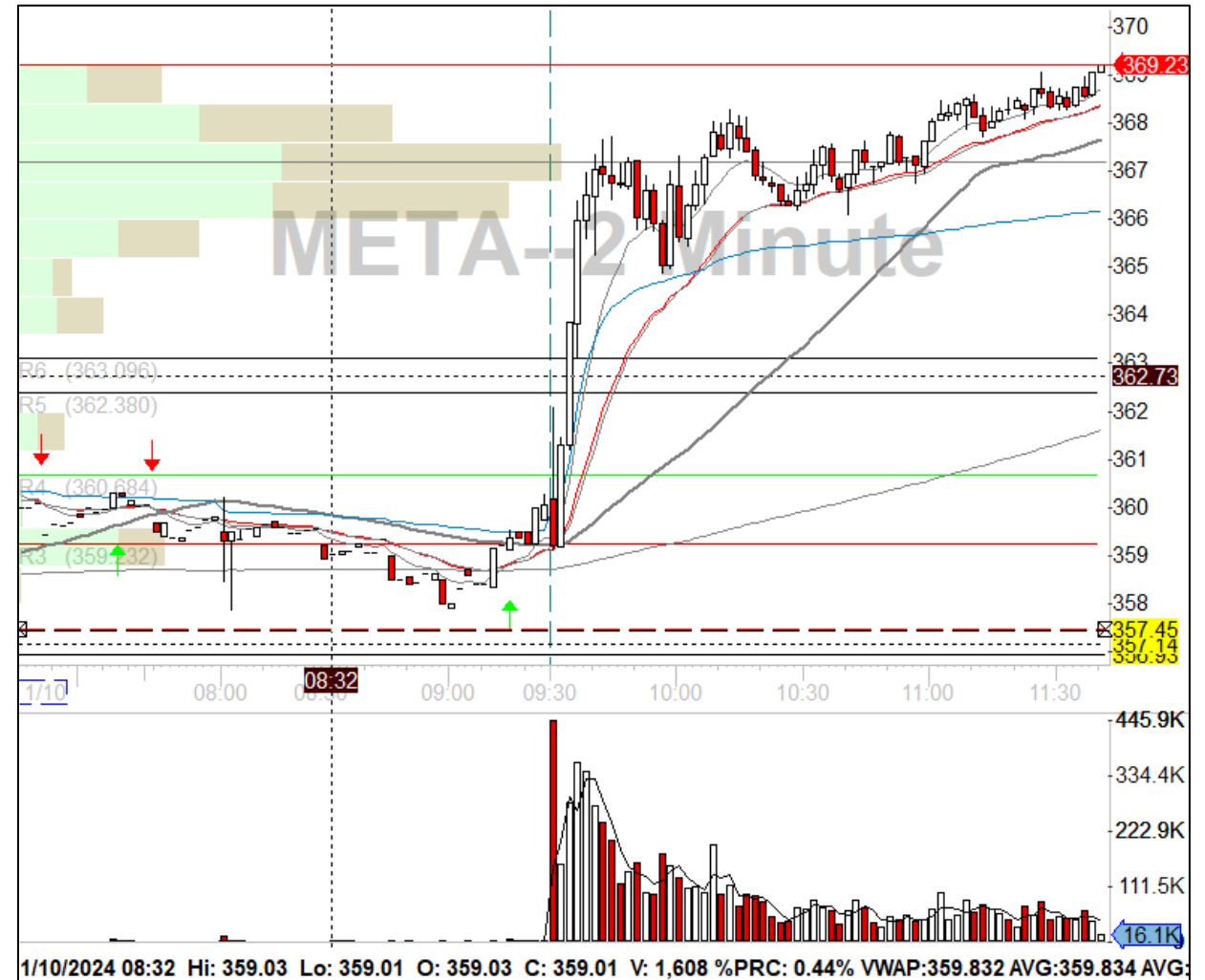
Targets

- **Primary target for this trade is to the 6th level Cam (R6/S6),** as this is generally an area of resistance/consolidation.
- **Any personalized partialing structure may be used,** though 4x Risk should be minimum profit goal for this setup.



Consideration Notes

- Very important that order book is also in alignment with the trade. For a long, there would be a ladder of large orders stacked above price. Vice versa for short.
- These breakouts/breakdowns have the potential to run all day, so a partialing structure that allows for between 5-6x risk is not out of the question. All out at 4x risk is satisfactory, but often leaves a lot on the table.
- If 4th level cam is a significant distance from the consolidation breakout trendline area, proceed with caution if at all, as this cam level in this instance may act as resistance and reversal area.
- Stop can be moved to B/E after first partial.



Example



DISCLAIMER

Tradingterminal.com employees, contractors, shareholders and affiliates, are **NOT an investment advisory service, a registered investment advisor or a broker-dealer** and does not undertake to advise clients on which securities they should buy or sell for themselves.

You understand that **NO content published as part of the Trading Terminal and its Website constitutes a recommendation** that any particular investment, security, portfolio of securities, transaction or investment strategy is suitable for any specific person.

You further understand that **none of the creators or providers of our Services or their affiliates will advise you personally** concerning the nature, potential, value or suitability of any particular investment, security, portfolio of securities, transaction, investment strategy or other matter.