



How to read price action to trade the ABCD setup

PRESENTED BY:

Lenny Winnemuller

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Introduction

History Prior to Trading

- Graduated Psychology (honors) at the University of Amsterdam
- Worked in Anti-fraud for a major Dutch bank
- Learned poker while studying
- Played various World Series of Poker (WSOP) events
 - Main event 2012 (Finishing 434th)



Rabobank



UNIVERSITY OF AMSTERDAM

Introduction

Trading History

- Traded for an European proprietary trading firm
- Senior Trader and Team lead at Peak Capital Trading
- Trading educator/mentor




Introduction

How to win trading the Opening Range Break (ORB) strategy


In this course you will learn how to win trading the Opening Range Break (ORB) strategy. You will get skilled in trading the 1min, 2min, 5min and 15min Opening Range Breakouts (ORB). Learn how to identify stocks in play, determining a directional bias and recognise the intraday confirmation for the entry. This course teaches you how to use different time frames, volume analysis and trading with and against the gap.

The course comes with access to a premium group chat room with Lenny himself to facilitate the learning process.

 Experienced Instructor

 Active Community

 Online Videos

 One-on-One Mentorship




Lenny Winnemuller

Lenny is a seasoned trader with years of experience trading the US stock market. He has extensive trading experience working for an Amsterdam based proprietary trading firm, as well as trading independently for various years. During the early days of Peak Capital Trading, Lenny finished the bootcamp multiple times successfully ending with significant profit, resulting in a seat offered in the firm by Andrew Aziz.




Enroll \$1,399

 Level: **Advanced**

 Duration: **9hrs 25min**

 Videos: **25**

 Access: **1 year**

 Access from any computer, tablet or mobile



Introduction

Trading Edges

- Opening range break (ORB) <1min, 1min, 2min, 5min 15min
- ABCD/Continuation setup



Introduction

Hobbies

- Travelling, family, socializing, teaching, CrossFit



Introduction

Any questions, feel free to send me an e-mail:

- Lenny@peakcapitaltrading.com

Follow me on X/Twitter for examples, updates, and reviews

- [@tradingwLenny](https://twitter.com/tradingwLenny)



Goal

- Learn how to read the price action to win trading during the market open

Overview

- What is the ABCD setup
- Volume, Volume, Volume
- Stocks in play
- Candle for candle price action reading
- The ABCD setup
- Relative market strength
- How to make trading significant more easy

What is the ABCD setup

- The ABCD setup
- 95% of my setups in the first 30min after the market open
- Morning volatility

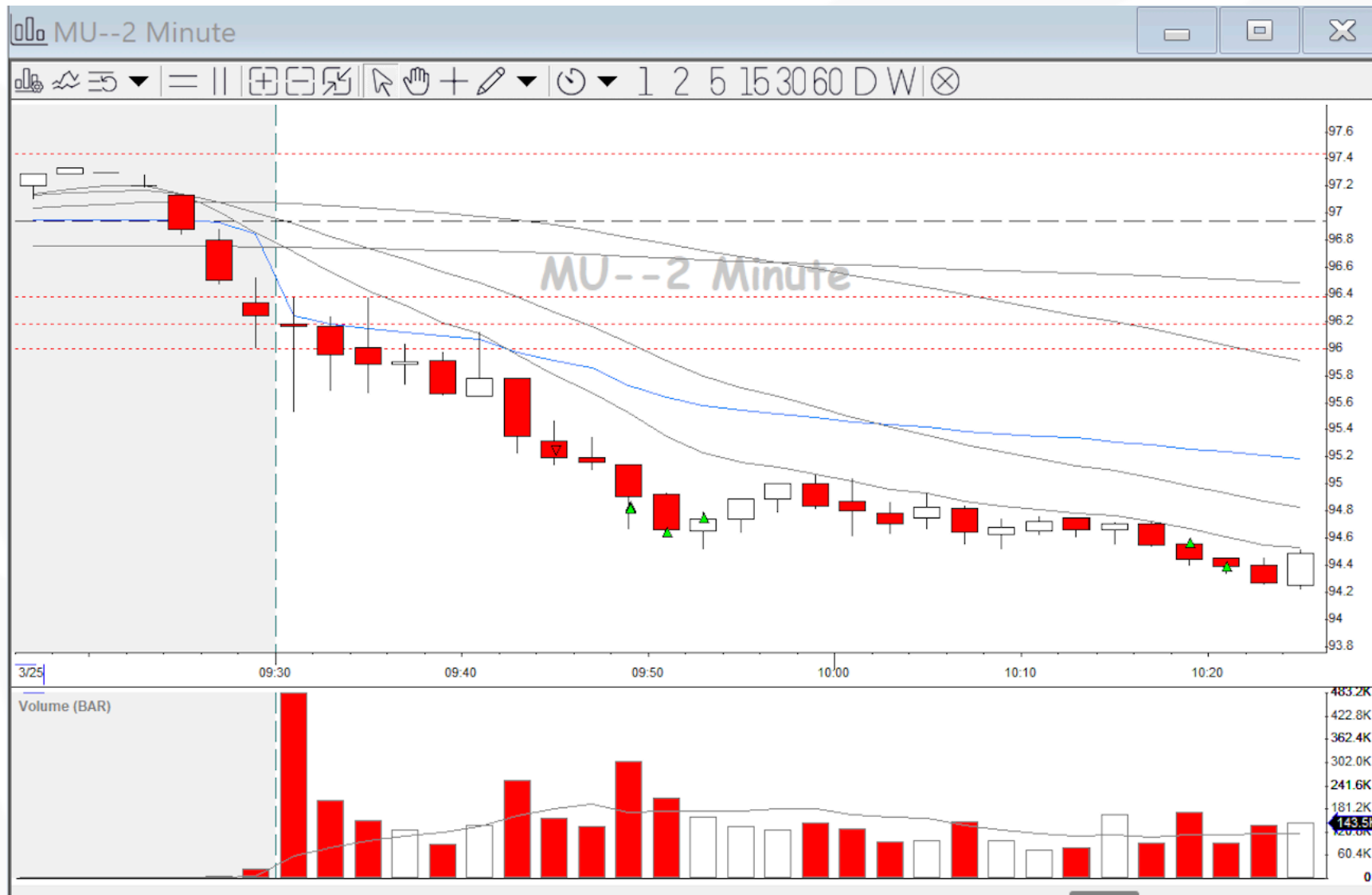
What is the ABCD setup



What is the ABCD setup



What is the ABCD setup



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Volume, Volume, Volume

- We want volatility
- We need volume
- High liquidity stocks
- Volume in absolutely amount of transactions
- RVOL%
- Order flow

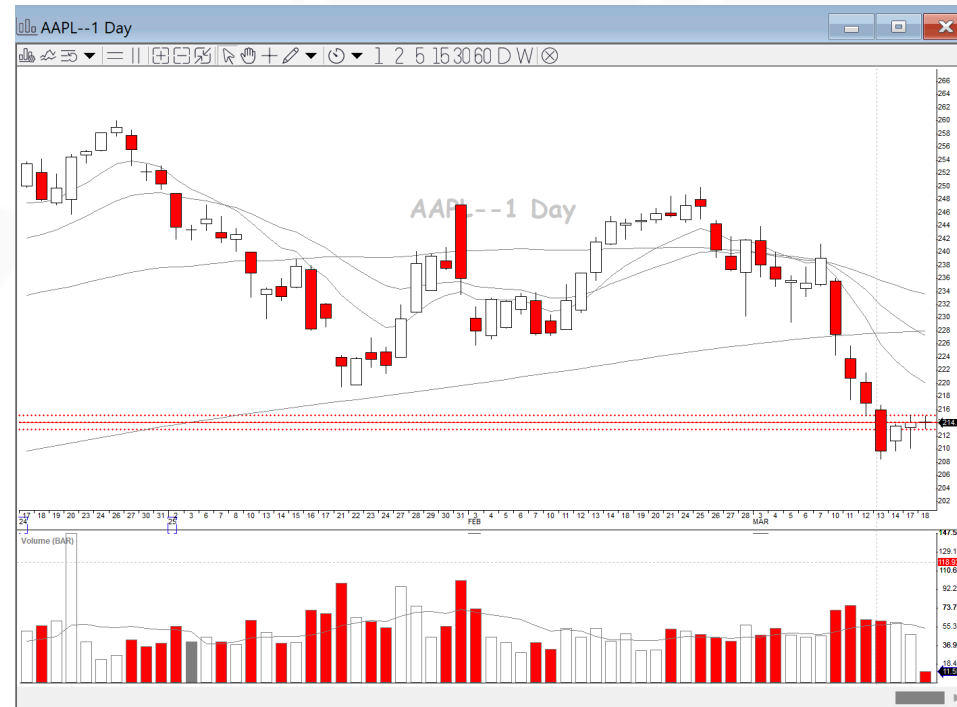
Volume, Volume, Volume

- Volume in absolutely amount of transactions
- RVOL%
- Order flow
- The more volume the better

Volume, Volume, Volume

- Volume in absolutely amount of transactions
- RVOL%

GOOGL	158.09 -- 158.11	Alp...			
GOOGL	↑ 164.25 - 156.72	PCL	164.29	Q	
Last	158.1	-6.19 (-3.8%)	Vol	14,703,631	⚓
Lv1	158.1	158.12	RVOL:	143%	S



Volume, Volume, Volume

- Order flow
- Up/down ticking of the price
- Movement within the candle
- Makes the difference when trading momentum

Volume, Volume, Volume

- No order flow (today in BAC), no trade!



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Stocks in play

- Trading after the open, begins with selecting stocks in the PM
- Develop a process of finding stocks in play

Goal of finding stocks in play:

Selecting those stocks that

- Could move
- Show clear imbalances between buyers/sellers
- Could trend intraday

Stocks in play

Finding stocks in play

- High liquid stocks
- Volume
- Gap
- Catalyst
- PM price action trading independent
- Relative market strength
- Relative sector strength

Stocks in play

Selecting those stocks in the PM for the trading day that

- Could move
- Could show clear imbalances between buyers/sellers
- Could trend intraday



Stocks in play

Definition stock in play:

“A stock in play has a heightened activity of volume, a higher interest of the market players and a higher probability of volatility. A stock in play also has a higher probability of moving relative independent from the rest of the market”

- Validity
- Volatility
- Volume
- Catalyst

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Candle for candle price action reading

- We have potentially a stock in play.... What now?

Look for strength or weakness in both the price action and relative to the market

Remember..

Trading is about 999/1000 times concluding that the setup is not good enough for an entry

Trading is 99.999% of the time being inhibitive

Candle for candle price action reading

Look for strength or weakness in both the price action and relative to the market

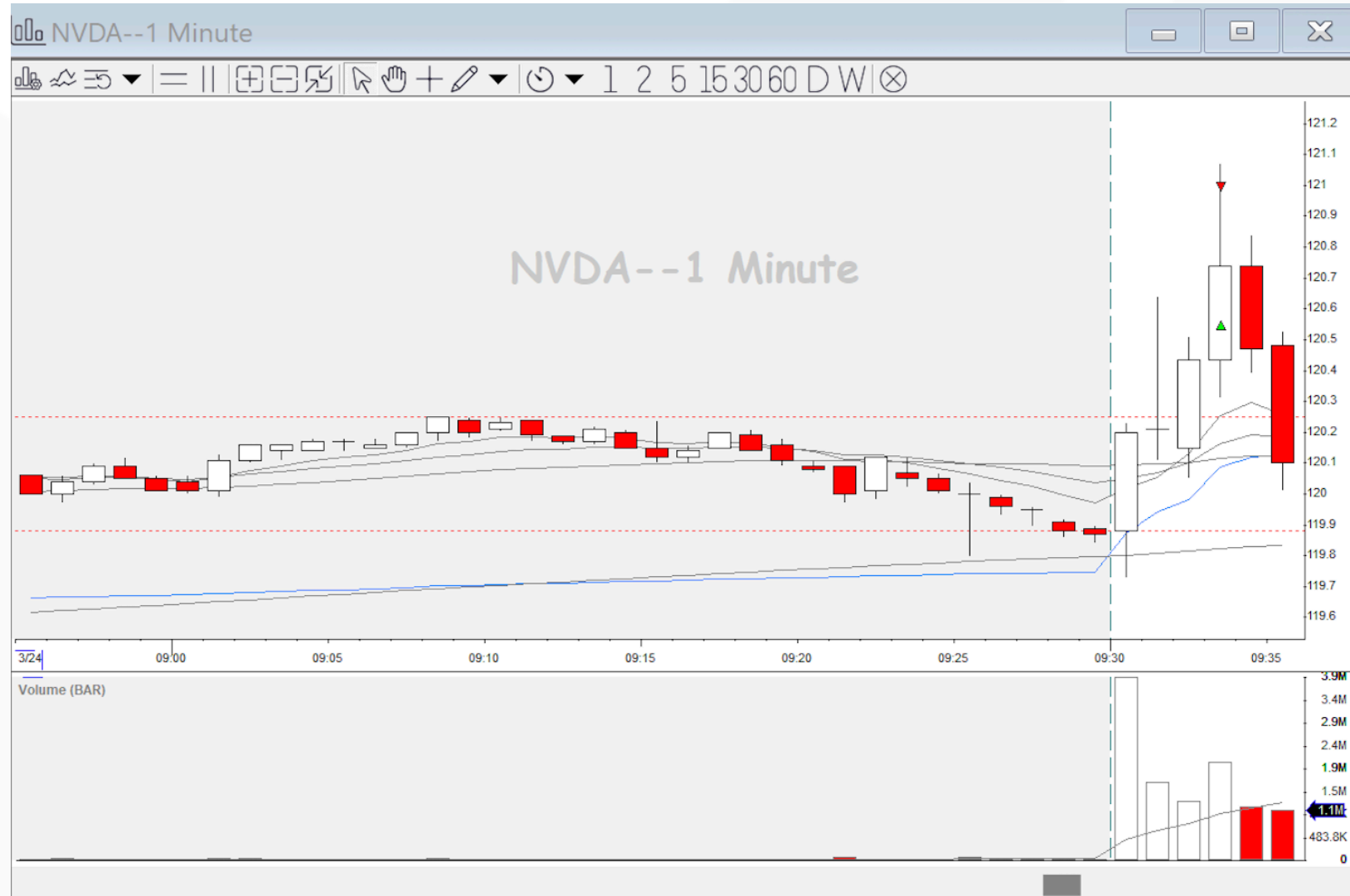
How:

- Candle for candle reading
- Combination of candles
- Patterns are groups of candles
- Big nuance: We trade price action and we don't trade just the candles

Candle for candle price action reading



Candle for candle price action reading



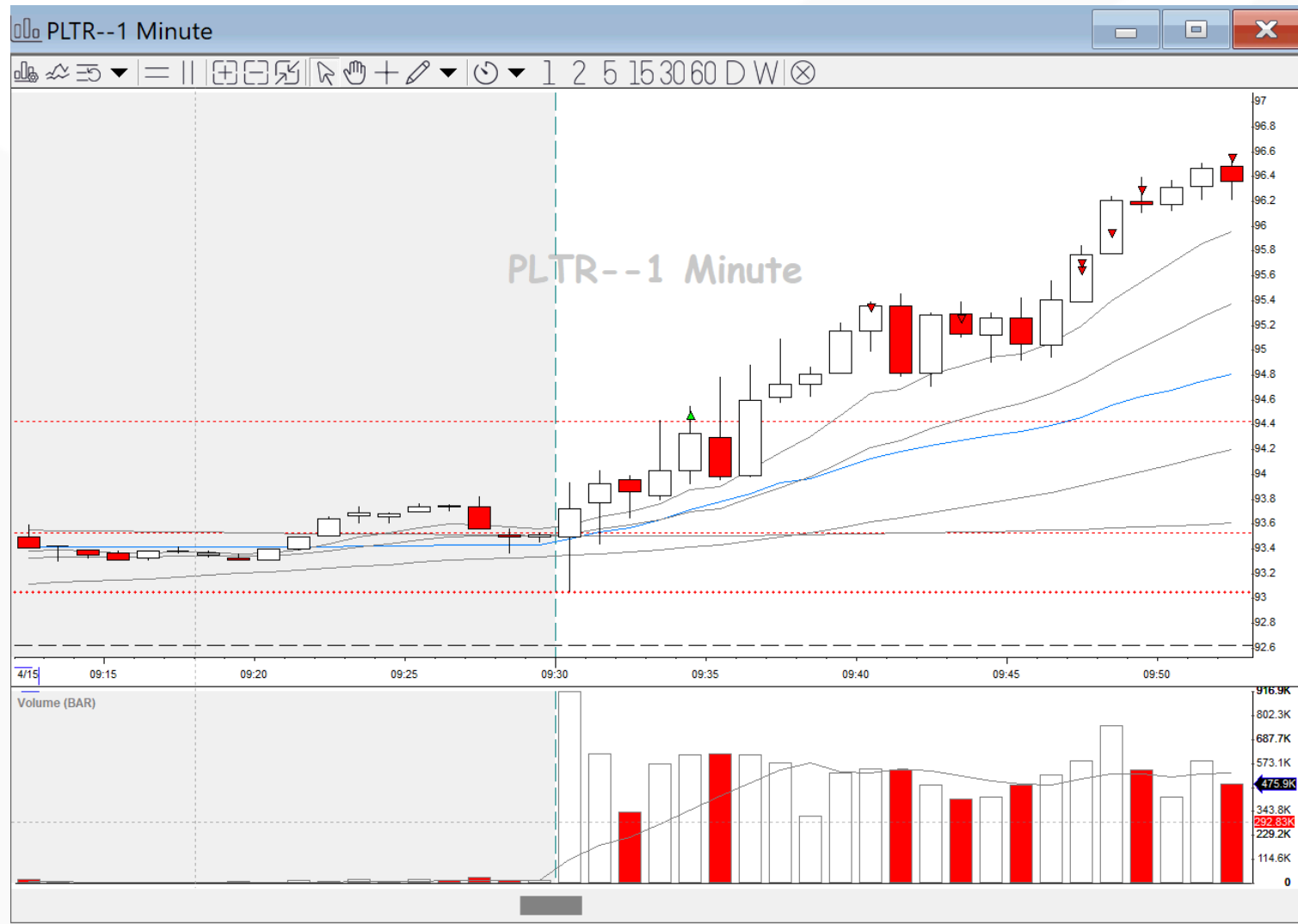
Candle for candle price action reading



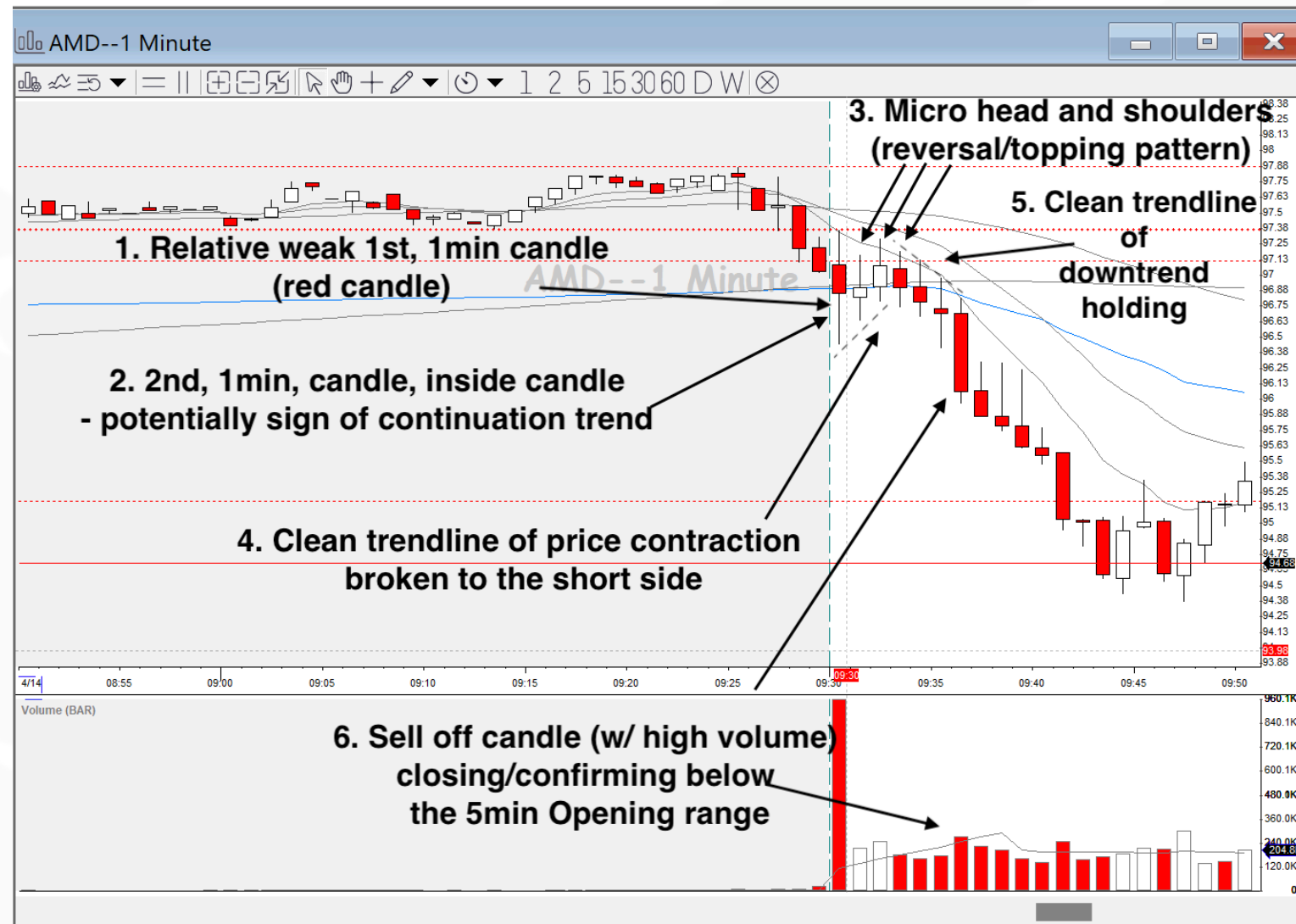
Candle for candle price action reading



Candle for candle price action reading



Candle for candle price action reading



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The ABCD setup

- The leg (A-B move)
- The pullback (B-C move)
- The transition from A-B to B-C
- The second leg (C-D move)
- Confirmation (potential transition from C to C-D)

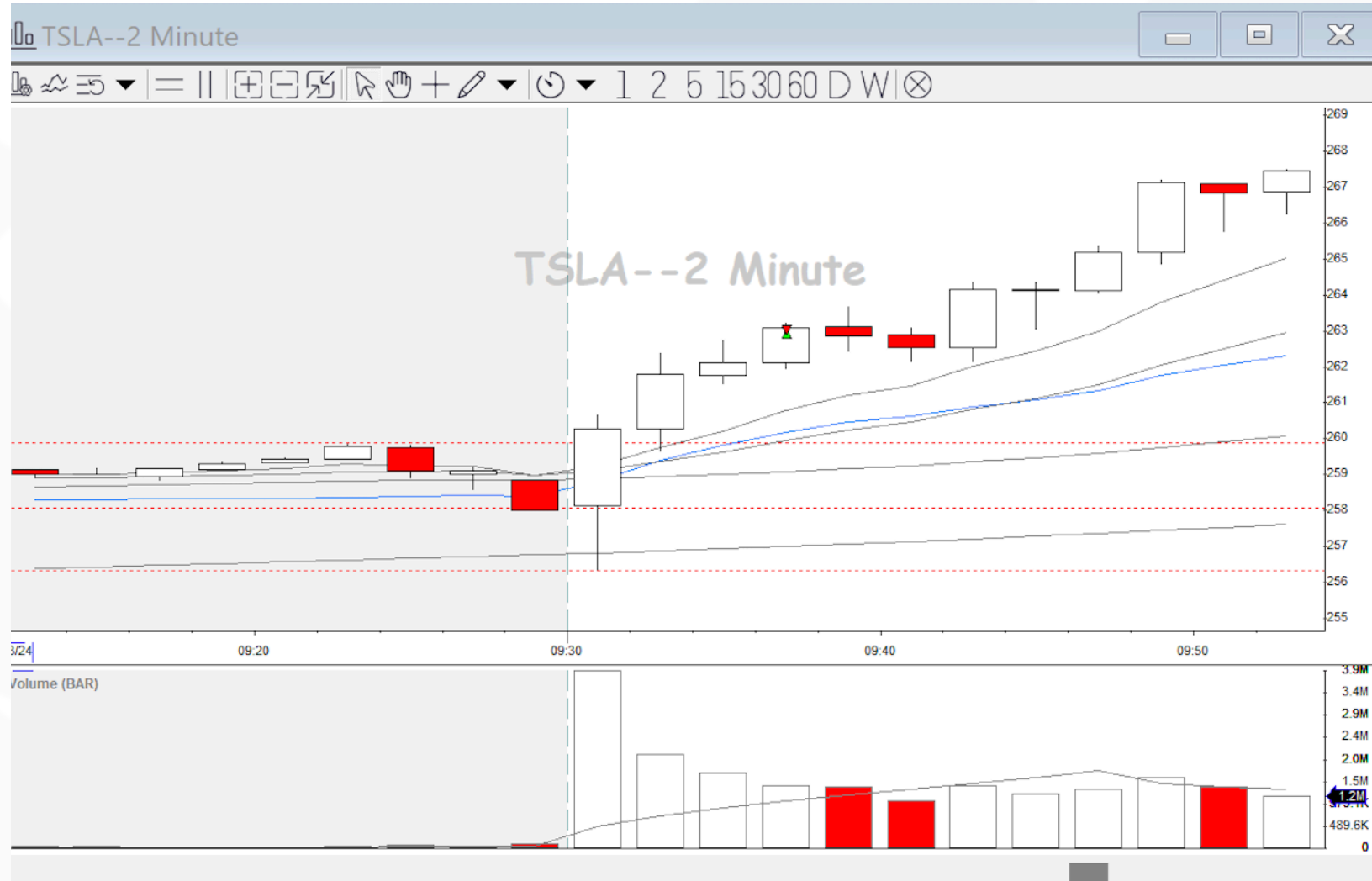
The ABCD setup



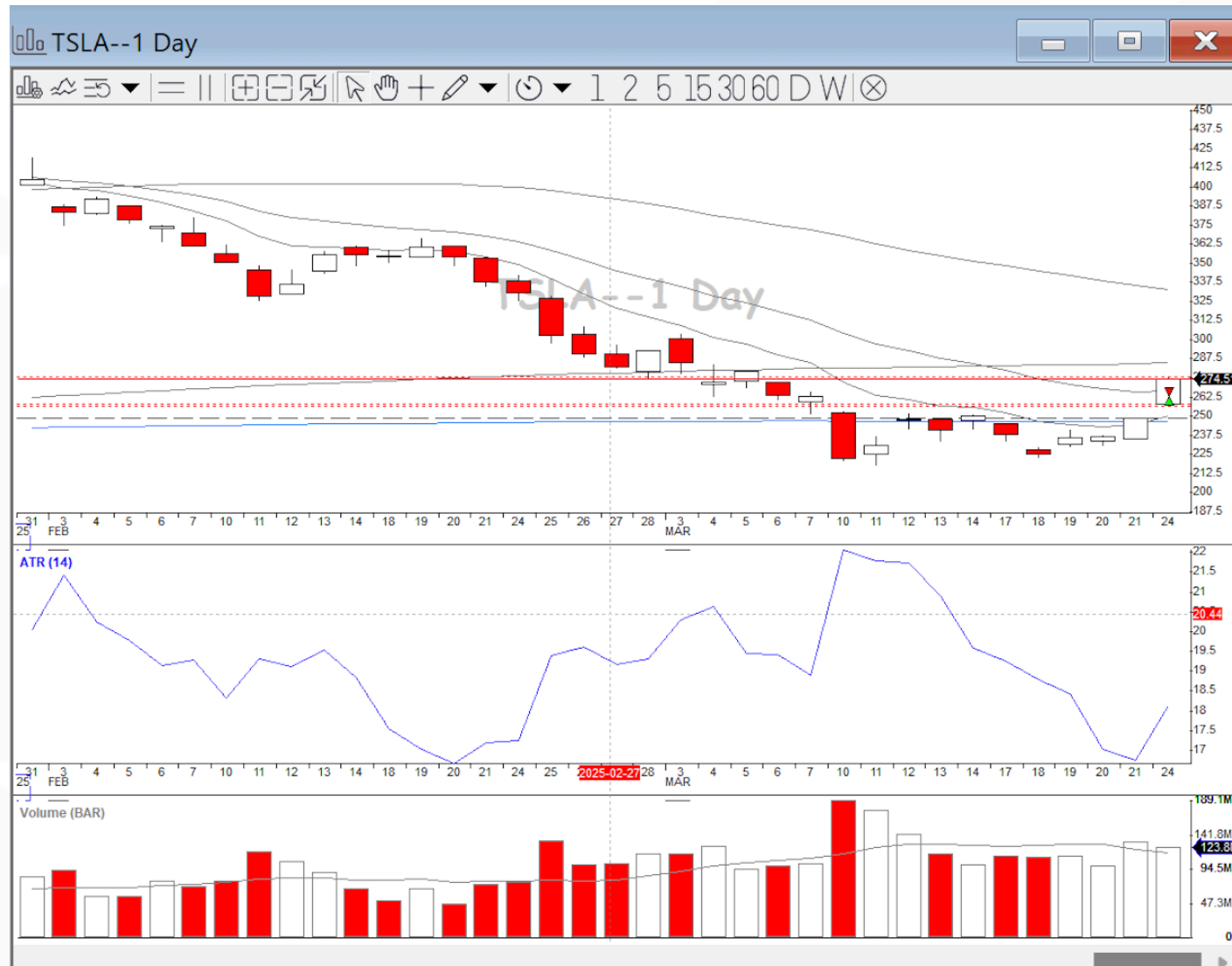
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The ABCD setup

The leg (A-B move)

- Strength!
- Increasing size of candles
- Increasing volume
- Relative market strength
- Volume

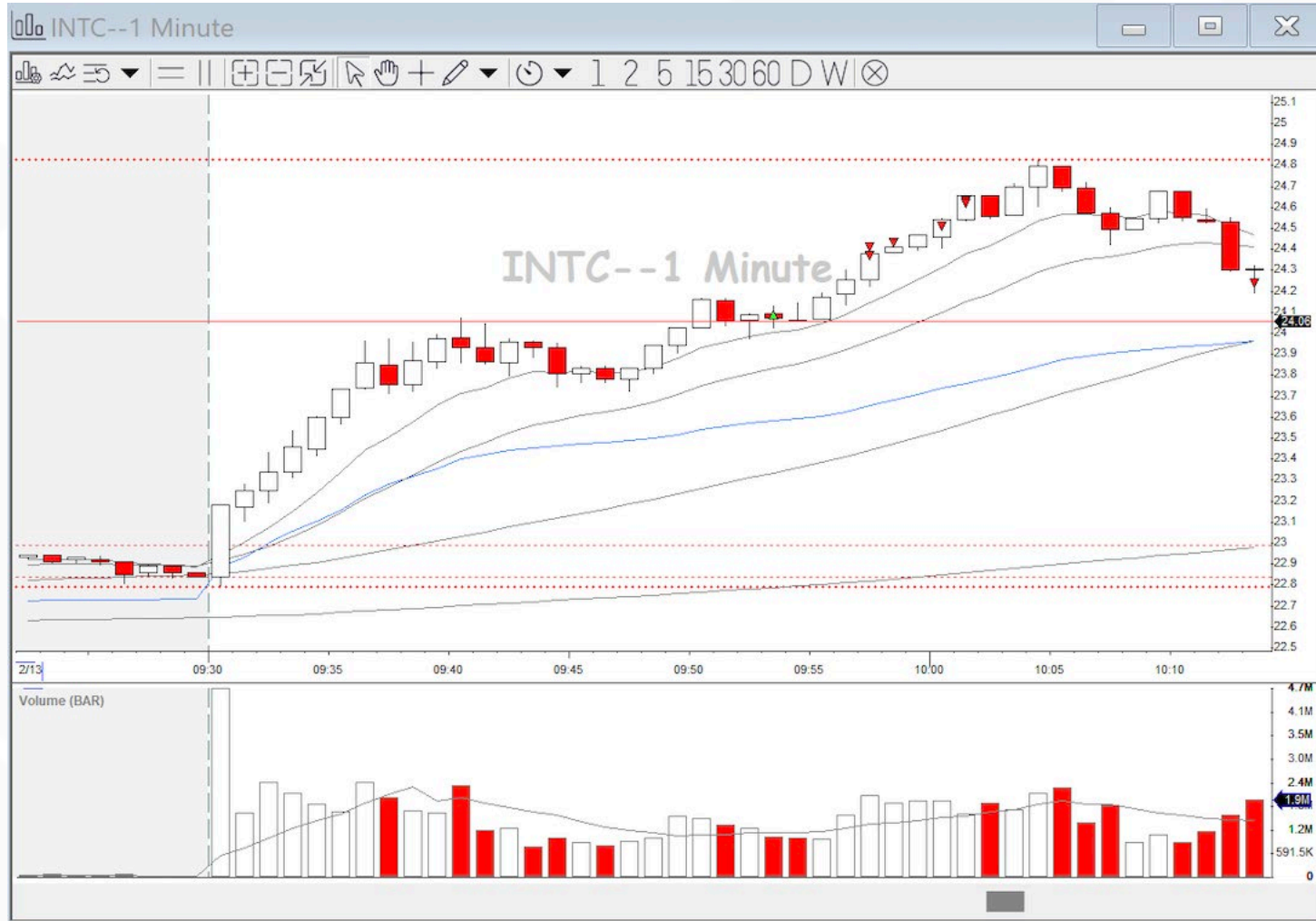
The ABCD setup

The leg (A-B move)



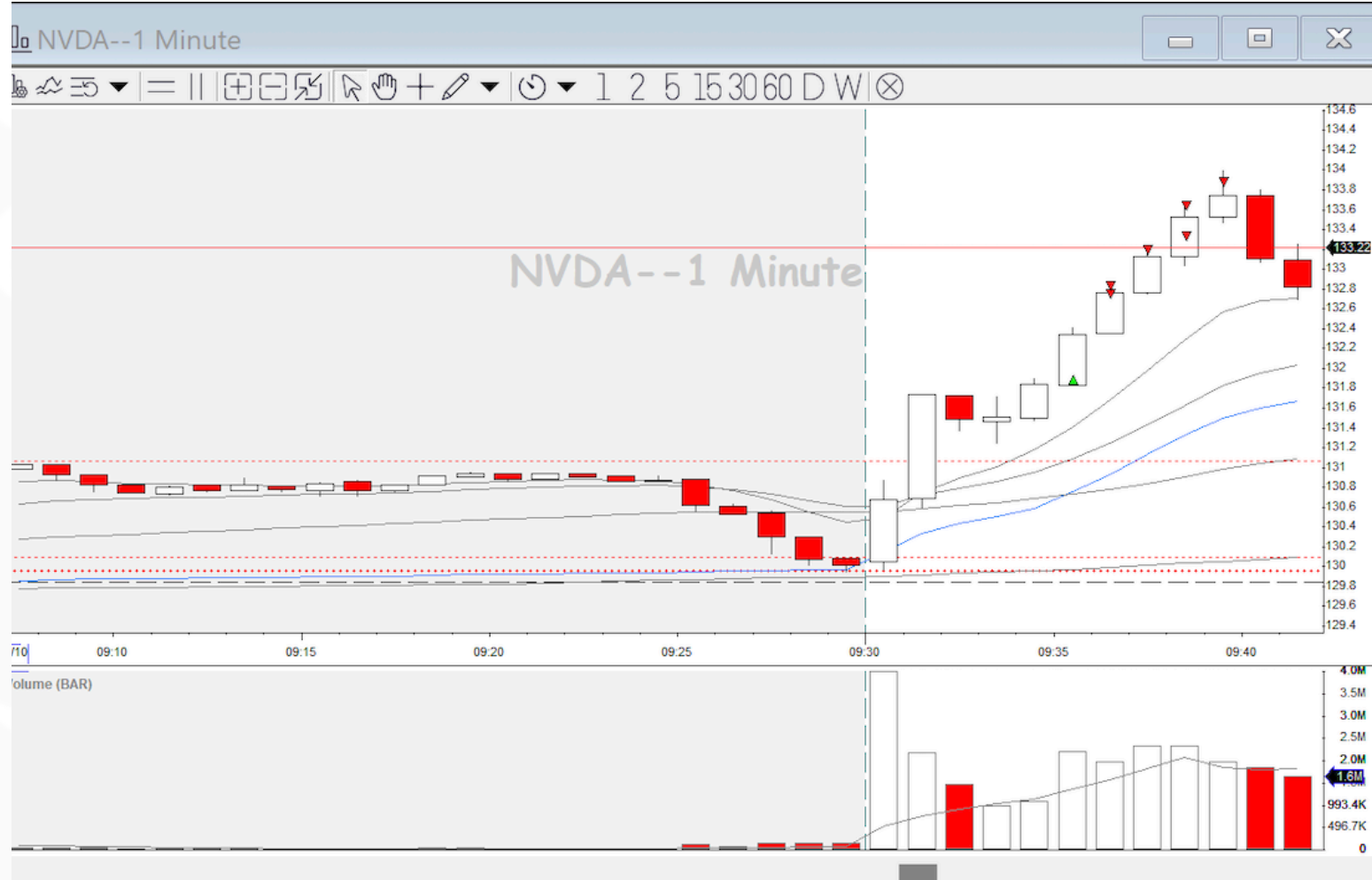
The ABCD setup

The leg (A-B move)



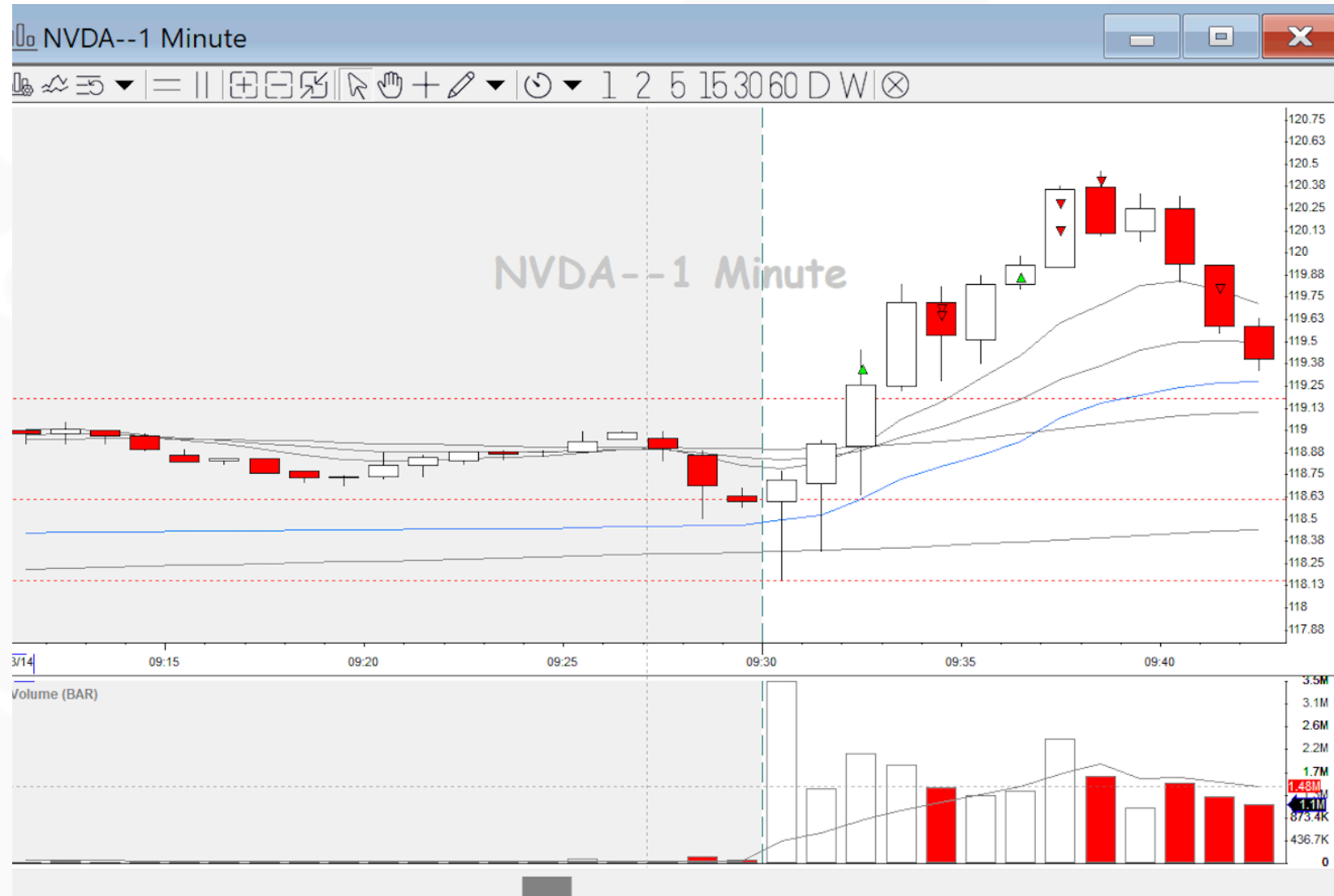
The ABCD setup

The leg (A-B move)



The ABCD setup

The leg (A-B move)



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The ABCD setup

The pullback (B-C move)

- Low volatility
- Steepness in the angle
- Low volume
- Buying pressure from the bottom (in case of a long, otherwise vice versa)
- Patterns

The ABCD setup

The pullback (B-C move)



The ABCD setup

The pullback (B-C move)



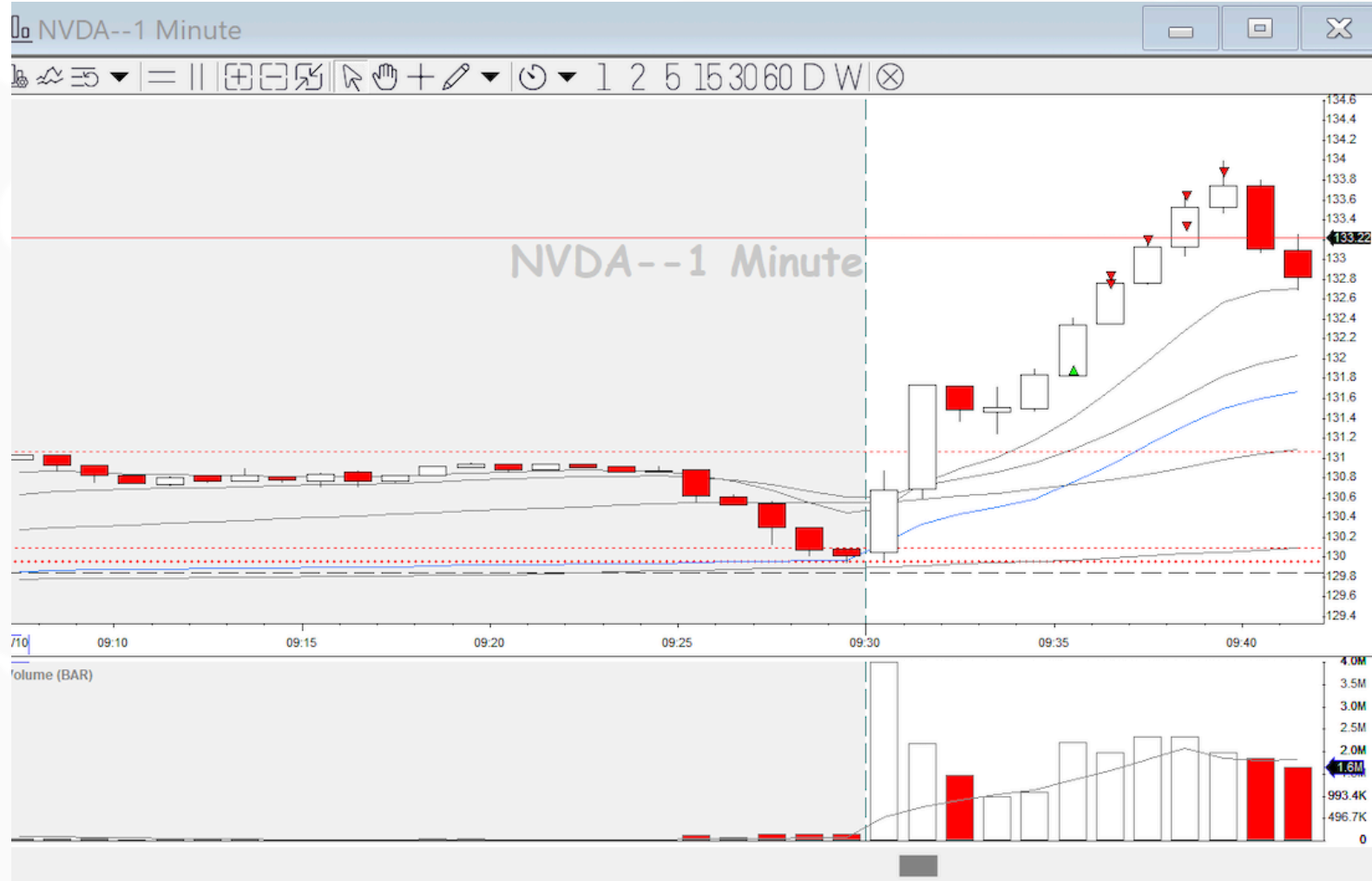
The ABCD setup

The pullback (B-C move)



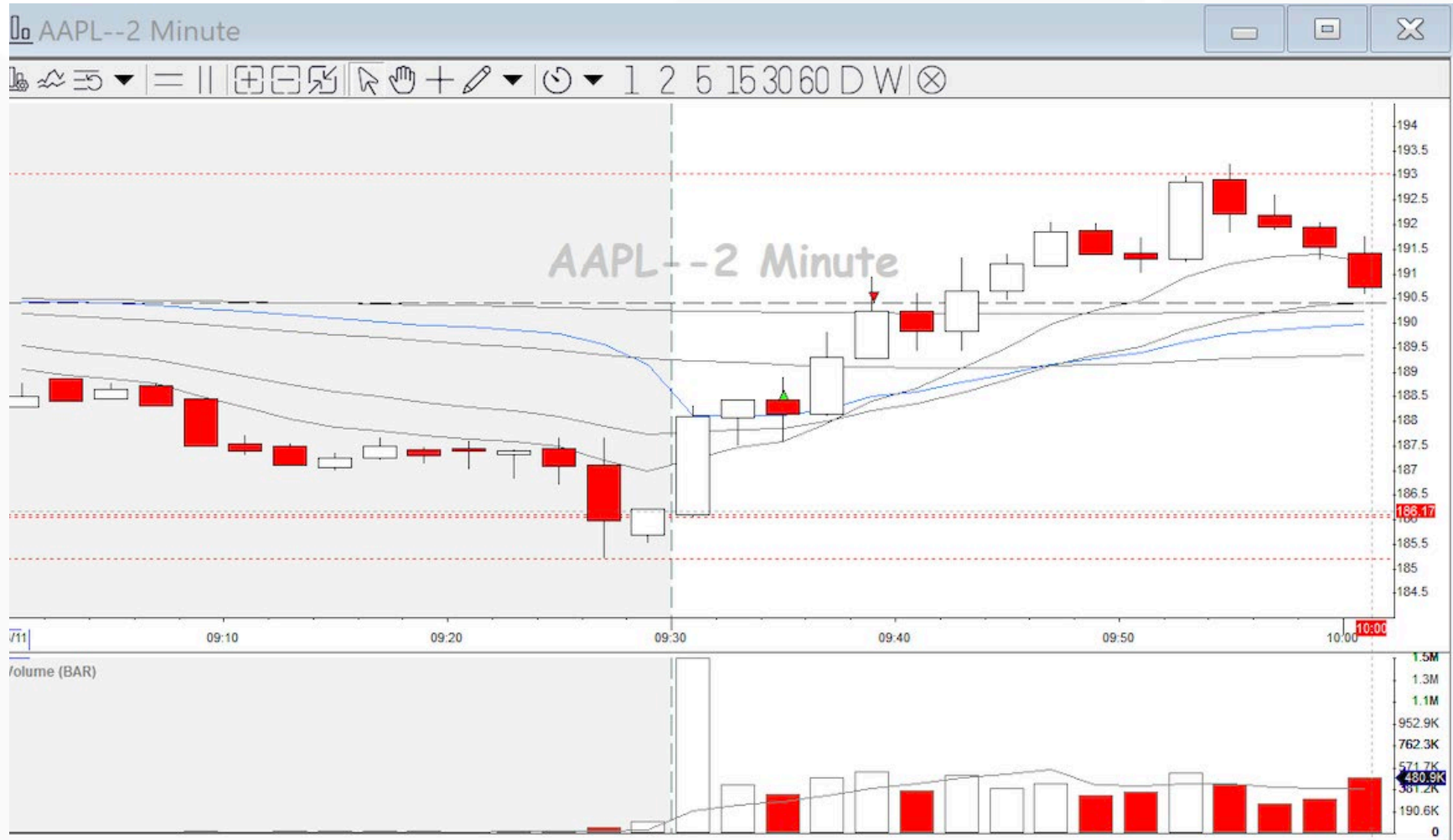
The ABCD setup

The pullback (B-C move)



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The pullback (B-C move)



The ABCD setup

The pullback (B-C move)



The ABCD setup

Confirmation (potential transition from C to C-D)

- Good looking confirmation candle
- Not always necessary
- Waiting for confirmation could help against overtrading

The ABCD setup

Confirmation (potential transition from C to C-D)



The ABCD setup

Confirmation (potential transition from C to C-D)



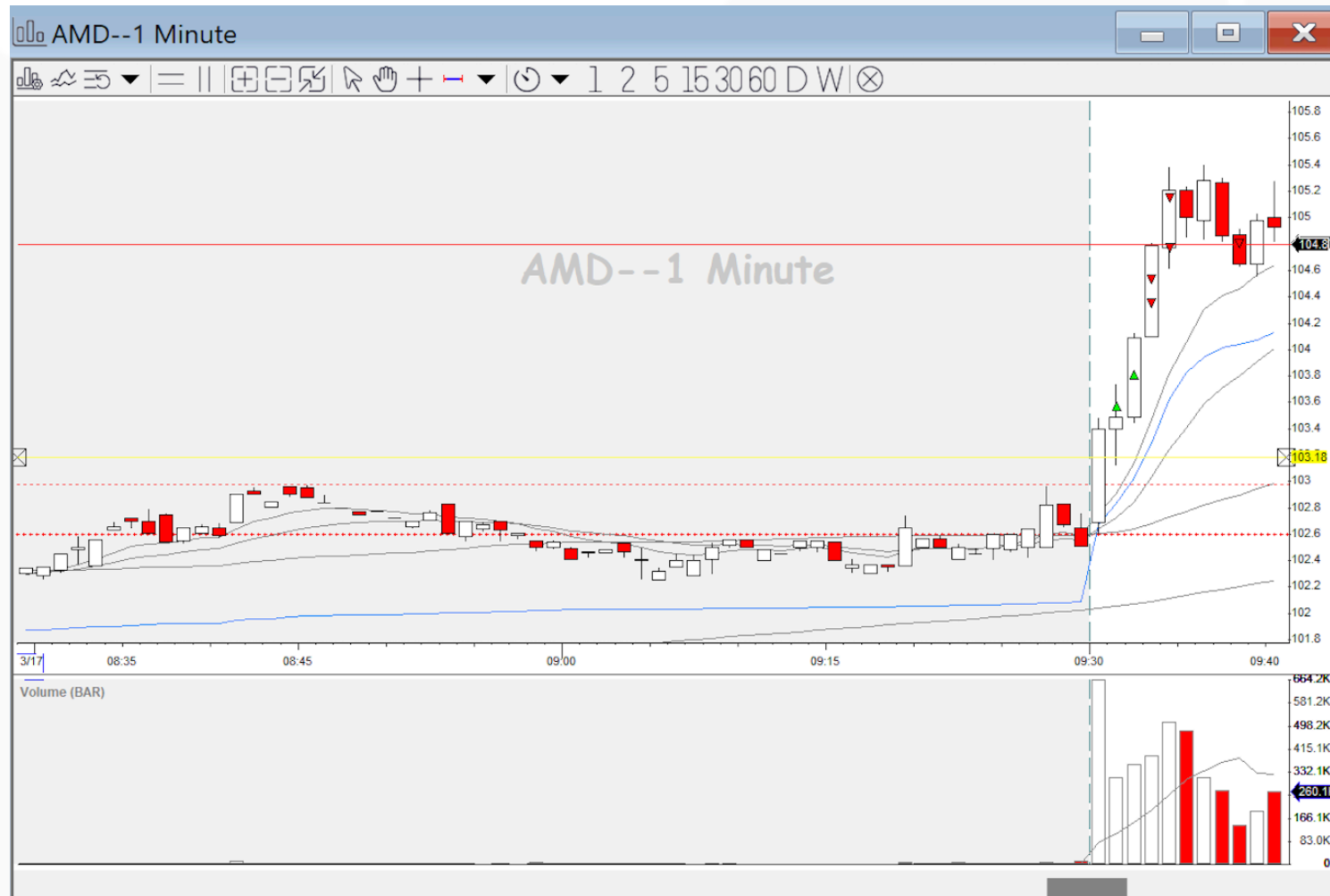
The ABCD setup

Confirmation (potential transition from C to C-D)



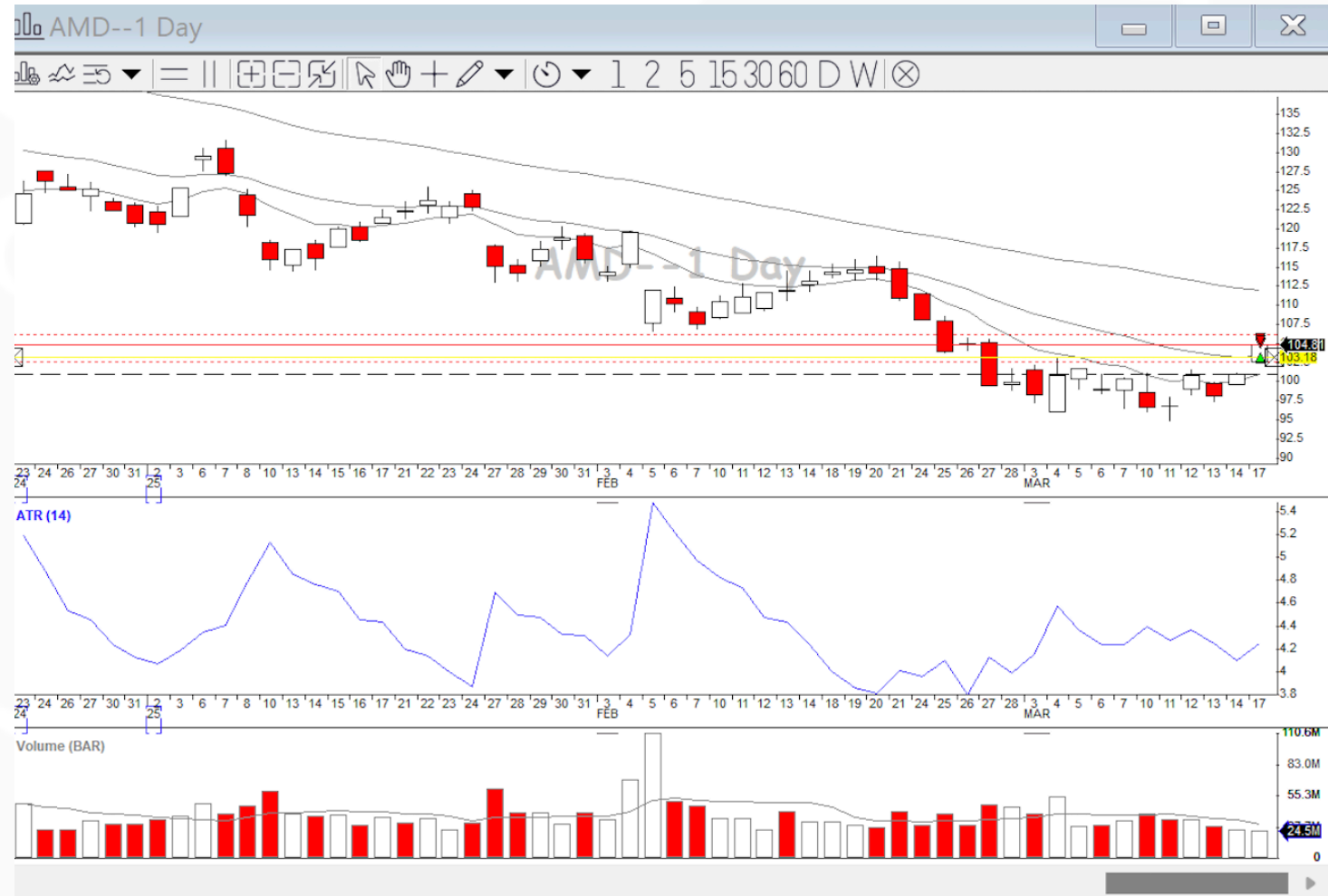
The ABCD setup

Confirmation (potential transition from C to C-D)



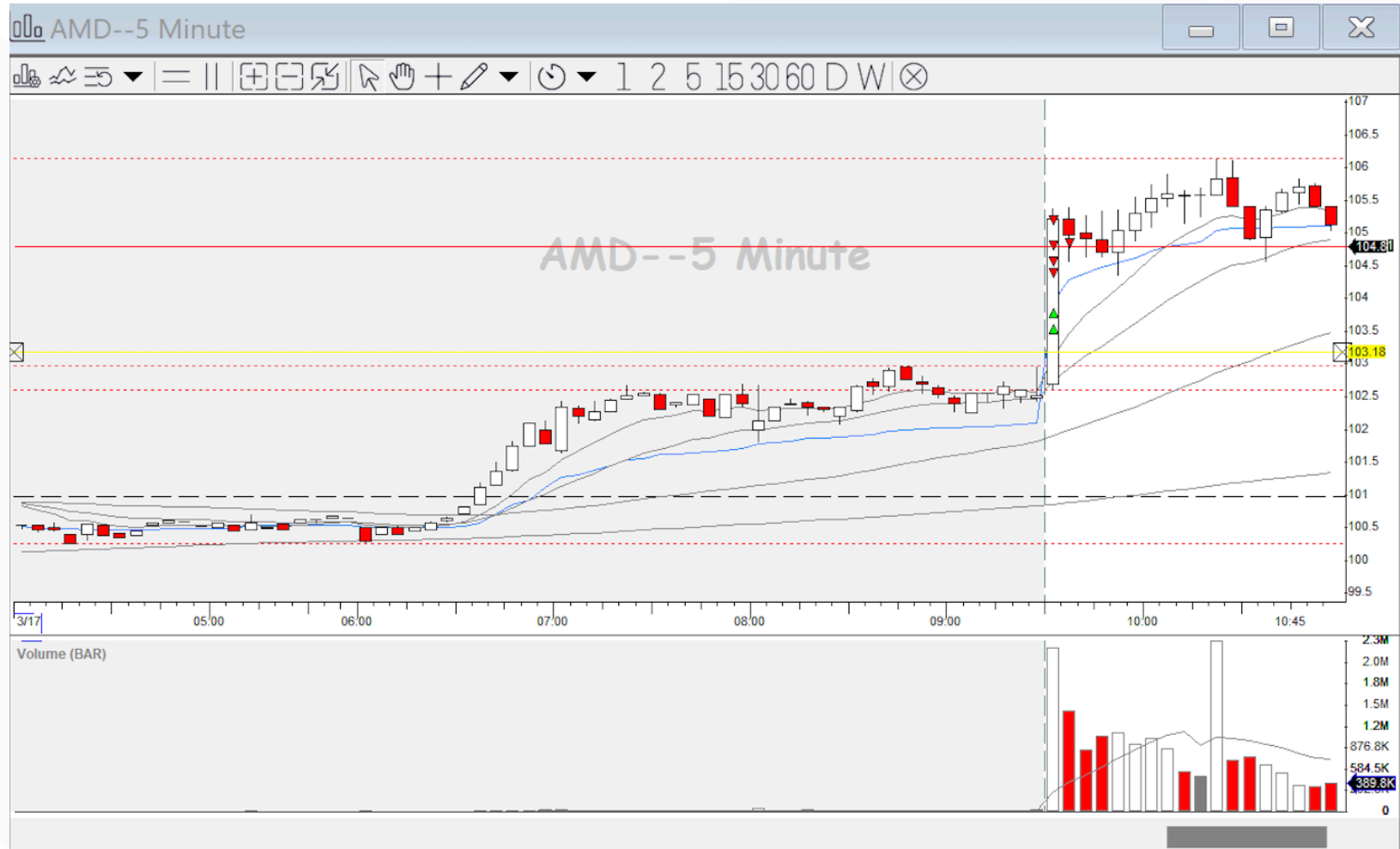
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Confirmation (potential transition from C to C-D)



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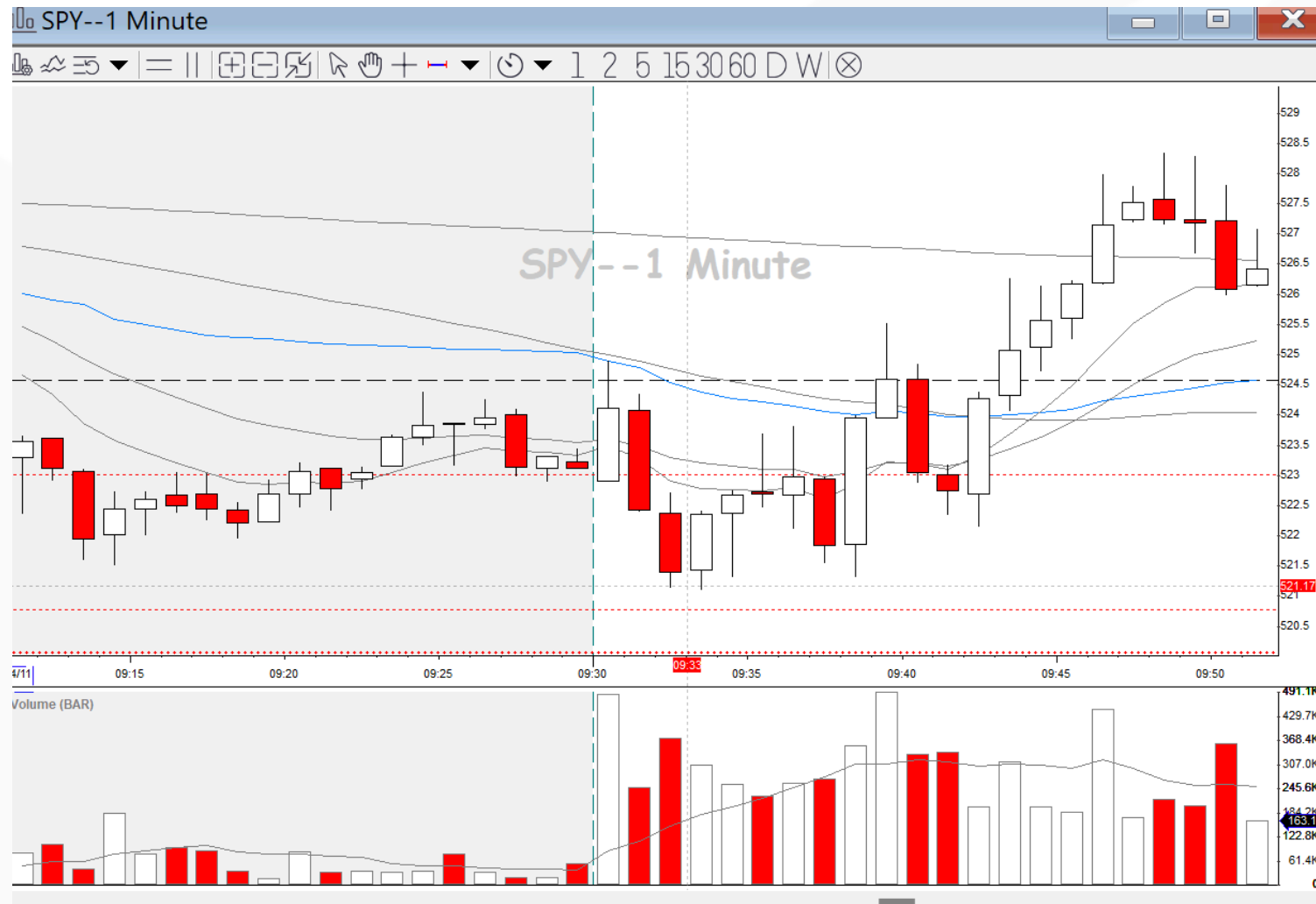
Relative market strength

- Price action on itself is in my opinion usually not enough
- We want to be sure we are strong/weak compared with the market

Relative market strength



Relative market strength



Relative market strength



Relative market strength



Relative market strength



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How to make trading significant more easy

(In my opinion)

- Stick with the first 30 minutes of trading
- Focus on magnificent 7 stocks + AMD and MU. Sometimes other stocks, when highly in play
- Get familiar with understanding the news/catalysts
- Know what you are looking for (!)
- Don't trade for real money (default for a trader is losing for a very long time)
- Be 100% sure that you master and control risk management

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Questions

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- Lenny@peakcapitaltrading.com

