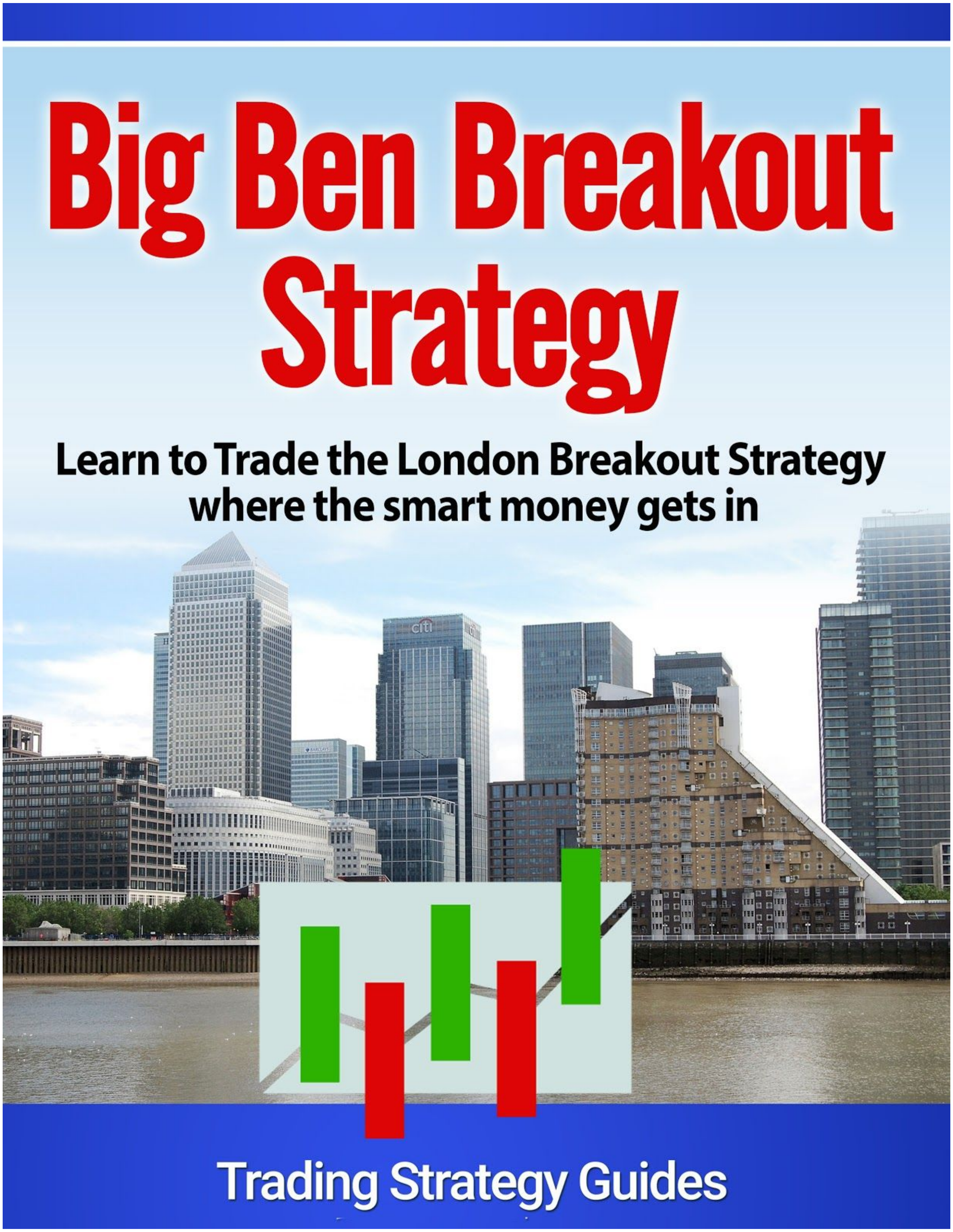

Trading Strategy Guides
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Learn how to trade the **big ben breakout strategy** and some effective ways to beat the smart money.

We're bringing to you a day trading strategy that has been successfully used by our London traders. The **big ben breakout trading strategy** incorporates secret trading concepts that you can take advantage of in the Forex market.

Everyone has heard of breakout trading.

Actually, breakouts are one of the most popular trading strategies out there.

The market price (be it for Forex currencies, futures, stocks, commodities or cryptocurrencies) is constantly changing from trends to ranges and vice-versa.

And the only way that the transition from a range to a trend can happen is if the price breaks out of its range.

Throughout this trading guide, you're going to learn about a specific breakout.

We're going to reveal some trading secrets to help you implement the opening range breakout technique in your own trading.

· What is the Big Ben Breakout Strategy

In simple terms, the big ben breakout strategy is a day trading strategy that seeks to take advantage of the trading range prior to the London opening session.

Among retail traders, this is also known as the London daybreak strategy.

Day trading the open strategy is simply:

- Taking a long position above the London trading range
- Taking a short position below the London trading range

Basically, this day trading strategy will teach you how to trade the London open.

The big ben breakout strategy has been around for literally decades.

Smart money used the London Forex session to benefit from predictable breakout signals.

Nowadays, the secret has been revealed to the masses.

However, retail traders are still left in the dark.

Let me explain…

The sad truth is that day trading the London open successfully involves understanding the reality behind the price.

The truth about trading is that you need the right approach to implement a trading strategy.

So, what can you do about it?

First thing, continue reading through the trading guide.

Our team of industry experts will reveal the missing link to successfully trade the London session.

But, first, let's learn how to define the London trading range.

Let's begin!

• How to Define the London Trading Range

We're going to take a look at 2 methods to define the London trading range.

The most basic form of establishing the London range is to use the high and low of the previous trading session aka the Asia trading session.

This method takes into consideration the whole price action since the start of the new trading day.

The advantage that comes with this approach is that it will help you better manage your trade.

The second method used to define that London trading range ignores that candle wicks and focuses on the closing prices to define the range.

Note* This trading technique works best if used in conjunction with Asian currencies like the USD/JPY

This is an unconventional method that has big merits of its own.

Let me explain…

The bulk of the trading volume happens inside the body of the candle. So, by ignoring the wicks we keep our focus where the real action happens.

I'm sure no-one told you this!

But, there is a tremendous advantage that comes with it.

Namely, you will avoid false breakouts and secondly, you'll enter the market sooner alongside the big boys.

Now that we covered how to define the London trading range let's look at a few reasons why the London open is such a powerful tool.

This will give you more confidence in your trading.

When self-doubt and hesitation take over your trading mind, you'll fail as a trader.

So, let's fix that.

See below:

• Why this Breakout Strategy Works

When London opens at 8:00 AM GMT you tend to see a lot of early volatility.

That's the case with almost all the major financial centers around the world, but more specifically with the London open and New York open. These two trading sessions tend to see the most forex volume.

For more information about the Forex trading session, please consult our Forex Beginner's Guide.

Around this time frame, the major banks and financial institutions start their day.

Everyone has their own needs.

Let me explain…

A lot of the trading volume activity will come from the banks, which will try to accommodate their corporate clients.

So, inevitably trading at the London open or New York open will get you more volatility.

In other words, this is your prime window of making money trading.

Because volatility is synonymous with more trading opportunities.

Most of the trading activity will be compressed in this time frame. If you miss your entries and a trend emerges from the London opening range breakout, the market will not give you a second chance to get back into the trend.

That's why the London breakout forex trading strategy is so powerful.

Make sure you monitor the first hour after the London trading session opens.

If you want to tackle the market alongside smart money, that's a good starting point.

Our team of experts has done a very rigorous backtest and found the perfect time window to make money forex trading.

Here is how it works:

• When to Trade the Strategy

The ideal time window to trade the strategy is one hour before the actual open and one hour after the London open. Basically, you have a 2-hour window of trading opportunity.

You'll only be required to be in front of the chart from 7:00 AM to 8:00 AM GMT and from 8:00 AM to 9:00 GM.

Our backtesting results have revealed that the 1 hour before the London open has as much relevance as the 1 hour after the London open

Most of the times the volatility will start to pick up 30 minutes before the actual London open.

Actually, our favorite London trading setup to trade is when the market starts to move before the London open.

There are many ways to skin a cat, but you need a proven backtested method to rely on, otherwise, you're just guessing.

As we're going to prove to you, our London breakout setup has an edge.

The trading foundation to trade profitable the London daybreak strategy is to trade against the crowd.

After all, is a well-known fact that 95% of all traders lose money.

This statistic has been circling around for many years.

So, what can you do to not be part of that statistic?

Simply follow our London open breakout trading rules and be part of the 5% elite traders who make money on a consistent basis.

See below:

- ## How to Trade the Big Ben Breakout Strategy

We trade the big ben breakout strategy by fading the pre-open move.

Our backtesting results revealed that by fading the London Open we have a very high probability trading setup.

Now there's a catch to this.

You need to follow some strict trading rules for the opening range breakout.

We won't be trading every single day, but only when the market tips his hand and confirms all our rules.

Otherwise, we can keep the money to fight another day.

Here's how you can trade the London open alongside the smart money.

See below:

Rule #1 Define the London Trading Range

We're going to use the range definition that takes into consideration only the body of the candles, excluding the wicks.

Note* this trading rule can be adapted as you get more experienced at reading the price action.

Who knows, maybe you'll be able to discover some price action tendencies around the London open that no-ones was able to see.

In the GBP/USD chart below we've outlined the trading range:

This strategy works because the Asia trading range tends to attract buy and sell stops above and below the trading range.

The bulk of buying and selling stops becomes an easy target for the smart money.

Remember that traders need liquidity to execute their orders.

And, the smart money is always in search of liquidity to fill their large orders. That's the reason why the smart money needs to trigger those stops.

The Big Ben Breakout Indicator automates this strategy! Availability will be only for Meta Trader 4 and 5.

[To follow along and view its availability click here now!]

Next:

Rule #2: The One-Hour before the London Open Needs to Generate the Breakout

Our backtesting results revealed that momentum really starts to pick up 1-hour earlier than the actual London opening session.

There are some smart ways to trade this burst of momentum.

Let’s see some technical ways to trade the pre-London open.

We don’t need to guess in which way the market will break, we let the market tip his hand and show us the way.

This is where things get interesting.

Let me explain…

During the London session we’re going to see the most traded volume thus the foreign exchange market should really take off in one direction or another.

From our example, we can note the GBP/USD one-sided move.

See the forex chart below:

We didn’t have any interruptions in the momentum activity, and that’s the KEY for this whole trading setup to work.

Let’s now outline the second technical element you want to see with the London setup.

Rule #3 Price needs to fade

Immediately after the London session opens, we want to see the price fading the pre-open move.

If the move starts fading, we know it was a false breakout

Smart money has used the pre-open move to trigger the stops below the range and now they reverse the tie and start buying.

We want to see price pulling back into the range at the same speed as it went up.

Let me explain…

In simple words, the bullish momentum used to produce the false breakout needs to be equal to the bearish momentum used to fade the pre-open move.

We enter our trade after the first 5-minutes have confirmed that the price is reversing.

Once this trade setup is completed, you should see a price formation that takes the V-shaped form (or inverse V-shape).

Let's now explore what methods you can use to cash in the profits.

Rule #4 Take Profit or Ride the Trend

We can measure the size of the Asia trading range and project that from the top or bottom of our range to get our profit target.

But, oftentimes this type of setup can lead to a trading day that can extend in the days to come.

Let me prove it to you…

See the Forex chart below:

Now, in this case, it's wise if you employ other trading tactics so you can actually profit from this trend.

In this example, the better take profit strategy would be to use a trailing stop.

You need to be ready to explore other trading methods to manage your trades.

Now…

Protecting the downside is as important as making money.

Below, we're going to reveal how to use time as your stop loss.

Sounds interesting?

So, let's get straight into the matter.

Rule #5 Use a Time Stop Instead of a Price Stop

In order to fade the London breakout, you need to use unconventional trading methods.

In this regard, for our stop loss trading strategy we're going to use a time stop instead of a price stop.

The first time I've ever heard about the time stop concept was while reading the Market Wizards book.

Billionaire Hedge Fund manager Paul Tudor Jones one of the greatest traders of our times said:

"When I trade, I don't just use a price stop, I also use a time stop."

If you want to get a glimpse into the mindset of the most successful traders and hedge fund managers, please read: Top Trading Quotes of All Time - Learn to Trade.

So, how to apply the time stop to the London strategy?

It's very simple…

If, in the first hour after the London open the price didn't **COMPLETELY** reversed the pre-opening breakout, we exit the trade.

It's simple as that, no further explanation is needed.

Now, let's explore more London breakout examples using our own trading twist.
See below:

More London Breakout Examples

Now you're probably wondering:

Is this strategy the Holy Grail?

Well, the short answer is NO.

You can’t avoid losses, they are part of the game. No matter how much you twist a trading strategy, losses are the cost of doing business.

We’re going to highlight a trade example, that will reveal that even when everything lines up perfectly, sometime the trade setup won’t work.

First, we establish the London trading range and wait for a pre-open breakout.

See the EUR/GBP trade example below:

The pre-London open breakout happens 15-minutes before the open, which is still in line with our London daybreak strategy rules.

However, what happens next is key.

The London breakout trade signal was triggered, but after being already 1 hour into the London session, the trade has slightly moved against us. So, we close the trade at a small loss.

Our London breakout rules are designed to minimize risk when we’re caught red-handed.
Moving on…

I know you're going to enjoy the next London breakout example.

On the USD/JPY chart below everything lines up for buying the pre-London breakout.

The breakout happens before the London open and additionally, the move starts fading away at the same speed as it went down.

Now, you can notice that after we enter, the USD/JPY pair went straight up.

There is one more element to this London breakout trade that added extra confluence for our signal.

As you might guess, we're talking about the prevailing upward trend.

Now, with this example, we've shown you that when you bring in your own edge into the mix, you can stack the odds even more in your favour.

Moving on…

Let's have a look at what forex currency pairs to trade using the London breakout strategy.

The Ideal currency Pairs for the London Breakout Strategy

If you really want to kill it with the London breakout trading strategy you need to know what currency pairs to trade.

Not all currency pairs perform the same with the London breakout strategy. Some currency pairs tend to exhibit better trade signals that the other. As you may guess the best currency pairs to trade the London breakout system are the GBP crosses like GBP/USD, GBP/JPY and EUR/GBP.

Other currency pairs to trade with the London strategy are the majors:

EUR/USD, USD/JPY, and AUD/USD.

The highest potential profit comes with the GBP/USD because during the London business hours liquidity is high as major banks and news activity provides traders with a ton of volatility.

• Final Words – London Breakout Trading Strategy

In summary, the **big ben breakout strategy** can increase the probability of your success in the forex market. Now that we know the technical concepts behind the London open make sure you only take those setups that align with all the rules exposed throughout this trading guide.

If you keep in mind these 3 trading tenets, you'll have no problem beating the dealers at their own game:

- Volatility
- Fade the pre-open bullish/bearish momentum
- Use a time stop loss

If you're in the US, the bad news is that it's the middle of the night when the London open happens.

But, the good news is that you can take advantage of the New York open using the same rules adapted for the New York breakout strategy.

Thank you for reading!

The Big Ben Breakout Indicator automates this strategy! Availability will be only for Meta Trader 4 and 5.

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