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David Larry (2003) - Trading Explosion Breakaway Gaps

How to trade Breakaway Gaps?

First of all - identify a Breakaway Gap by looking at price breaking out with a gap wherein no shares exchanged hands. If you look at the attached chart of NELCO, you can see one on 12th August.



Nest step - wait for few sessions to look for "if the gap is filled or not" and simultaneously look for "PIVOT LOW".

What is pivot low? It is a candle that is surrounded by two candles on either side with higher lows. Ideally, this should be your stop-loss point. Candle 2 is PL



What about the entry? Entry is taken when the right side candle's high next to the Pivot point candle is knocked out. (buy when high of candle 3 is crossed with a stop loss below low of candle 2)

