

Opening Range Breakout (ORB) Strategy





Backtesting Results

The Opening Range Breakout (ORB) strategy enters long trades when price breaks above the initial range high with strong bullish momentum and increased volume, making it particularly suitable for trending up markets.




Strategy Rules

1. Signal – First Valid Breakout Candle Above the Opening Range High


A signal is triggered when all of the following conditions are met:

-  The candle closes above the Opening Range High
-  The candle is bullish (close > open)
-  Volume is at least 20% higher than the previous candle
-  It is the first such breakout of the trading day


2. Entry

-  Enter a long position at the open of the candle following the signal
-  Entry must occur within the first 2 hours of the NY open session
-  Only enter if VIX is below 30 (to avoid high-volatility conditions)

3. Stop Loss




-  Set stop loss at 75 points below the entry price

4. Take Profit






-  Set take profit at 75 points above the entry price

5. Exit Conditions






Exit the trade if any of the following occurs:

-  Stop loss is hit
-  Take profit is hit
-  30 candles pass after entry without SL or TP hit → exit at close of the 30th candle

Backtesting Parameters

-  **Period:** January 2023 – June 2025
-  **Instrument:** NQ (Nasdaq futures), Micro E-mini contracts (MNQ)
-  **Timeframe:** 5-minute candles
-  **Opening Range Duration:** 10 minutes
-  **Position Size:** 5 MNQ contracts

Backtesting Results

-  **Win Rate:** 56.5%
-  **Total PnL:** \$22,907.50
-  **Average PnL per Trade:** \$69.21
-  **Average Days to Reach \$3,000 Profit Target:** 39 days
-  **Failed Challenges (Loss > \$2,000):** 4 out of 30 months

