

7 PROVEN TIPS *TO BUILD* PROFITABLE BREAKOUT STRATEGIES FAST

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experience with breakout strategies*

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Even if you have no previous experience with breakout strategies

From breakout strategies expert Tomas Nesnidal, who built 913 trading strategies for his own private hedge fund - and now you can too



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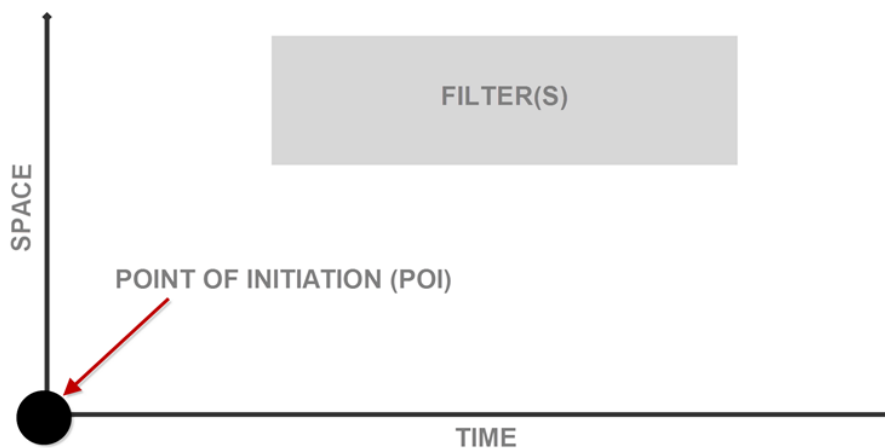
TRADING INVOLVES A SUBSTANTIAL RISK OF LOSS AND IS NOT SUITABLE FOR ALL INVESTORS,
PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

TIP #1

Use a proven model

To build a powerful breakout strategy, you need to start with a proven model. Which one should you use?

This is my own simple, yet extremely powerful 4-components model I have been successfully using for over 6 years already:



Here are all the components:

- ✓ **COMPONENT #1: Point Of Initiation (POI).** It is the point from which you need to start calculating where the final breakout level will take place.
- ✓ **COMPONENT #2: Distance (or you can also call it 'space').** This is the distance you need to calculate from the Point Of Initiation to get your optimal market entry point.

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- ✓ **COMPONENT #3: Time.** Or you can also call it a time filter. What time of the day brings your preferred market the most action? The more you focus on this time period only, the more efficient your breakout strategies can become.
- ✓ **COMPONENT #4: Filter.** If you only use POI, Distance and Time, your breakout strategies will still trade too much of the market noise, so you need to make a breakout strategy more efficient by implementing a simple filter condition.

Now you only need to start filling this model with your own ideas. For example:

- ✓ **POI:** Use yesterday's market close.
- ✓ **Distance:** Use X-multiple of ATR
- ✓ **Time:** Use only 1/3rd of the regular trading session of your market.
- ✓ **Filter:** Use some trend indicator, like ADX or DMI, to enter only in trading conditions.

And that's it.

This simple model helped me to build almost 1,000 powerful breakout strategies within a few months and build my own private hedge fund.

TIP #2

Experiment within the model without limitation

When you know what the key 4 components are, it all comes down to two words: Experimenting and creativity. During my trading career I have learned that when it comes to ideas, nothing should stop you from testing even the craziest ideas you have!

- ✓ Start with simply thinking about as many different Points Of Initiations (POIs) as possible. The more you can come up with, the faster you will build a bunch of interesting strategies
- ✓ For the beginning, keep the Distance component simple and only work with multiple of ATR (you can start with ATR period 20).
- ✓ Make a list of all of the filters you have collected during your trading experiences. This list will be another amazing resource for your fast breakout strategies development. Again, don't be afraid to test plenty of them - some of them will give you some amazing results for sure.
- ✓ When it comes to the TIME component, it is enough if you only split your regular trading session into 3 thirds or 2 halves and try each third or half separately.

So you see, it is quite simple: Once you know what the 4-components model is, you only need to come up with a couple of ideas for the POI component, a couple of ideas for the FILTER component, then use ATR as the DISTANCE component and try different variations / combinations with 2-3 different time windows in the TIME component. Once you get into this, it can be pretty fast to test plenty of different ideas within this simple 4-component breakout model.

TIP #3

Start with daytrading strategies only

Breakout strategies can get really complex when it comes to risk management (implementing different exits techniques, different stop-loss techniques, etc). And this can be way too time consuming. On the other hand, you can significantly reduce this complexity (and thus move forward really fast) if you simply decide to start with daytrading breakout strategies only, because:

- ✓ All you need is an end of day exit (EOD exit)
- ✓ Which paradoxically is one of the most powerful exits for many futures markets according to my research
- ✓ Your risk during the day is very limited due to the fact that the usual, average volatility during a simple day is not that big as if you would be holding your position for days or weeks
- ✓ You can limit your risk even further by using a simple dollar stop-loss
- ✓ Margins for daytrading strategies will be much lower too, so you can start with a much smaller trading account

So with daytrading breakout strategies, everything will be simpler at the very beginning and it will be so much easier to move forward really fast. You could be building a great breakout strategy, even for smaller trading account, literally within a few days only (at least from my experience).

TIP #4

Consider futures markets if you want to move forward really fast

Choosing the right market DOES matter, especially if you want great results FAST. Here is what I have learned:

- ✓ Futures markets and stocks (including ETFs) are one of the best markets for breakout strategies
- ✓ Especially with futures markets you can get great results really fast
- ✓ Futures and Stocks breakout strategies have also a longer life expectancy and the performance is more stable
- ✓ Forex, Currencies and Bonds are much harder
- ✓ Especially forex will usually give you very unstable and unreliable live results
- ✓ I personally stay with futures only and in our hedge fund we develop a lot of breakout strategies for stocks too

Don't be market-biased, just go where you can get the fastest and best results. That is all you need anyway. It is all about the results, not about what market you have a personal preference or personal attachment to.

TIP #5

Consider emini indexes if you want to move forward even faster

Emini indexes are very popular among the majority of traders, and from my experiences they are a great place to start when it comes to breakout strategies. My experiences are:

- ✓ There is probably no straighter and faster way to build a powerful breakout strategy than using some of the popular emini indexes
- ✓ Many traders specifically prefer the S&P 500 (ES) emini, but you can get great results even faster with the Russell 2000 (TF) emini or the S&P 400 (EMD) emini futures indexes
- ✓ Emini indexes allow you to start trading breakout strategies with a fairly small account (a few thousands USD only)
- ✓ Emini indexes are a great starting point to learn a lot about building powerful trading strategies fast

When I started with my own breakout trading, my portfolio consisted of emini indexes only. Later on I started diversifying myself across many other futures markets, but eminis were an amazing start.

TIP #6

Use higher timeframes to start with

Timeframes can have a big influence on the breakout strategy results and it can also help you develop great breakout strategies faster, if you know what timeframes to start with.

In general:

- ✓ Lower timeframes bring in more of the market noise
- ✓ Lower timeframes are less stable
- ✓ Lower timeframes need longer computation when it comes to optimization (there is simply more bars) so everything gets slower
- ✓ On the other hand, with higher timeframes (like DAILY), you can lose some significant advantages that an insight into the higher precision that minute bars can give you.

So what is a good compromise? What is a good place to start?

From my experience, with most futures markets anywhere between 15-60 minutes charts is a great start to building good breakout strategies fast.

TIP #7

Attend the 'Build emini breakout strategies Fast' course

This is one of the fastest ways to start building powerful breakout strategies, literally over a weekend!

In this course you're going to learn a lot of important and proven techniques, including:

- ✓ The 2 best types of exits to use in breakout strategies - you may be surprised how poorly some common exit techniques perform in breakout strategies. We'll tell you the best ones to use,
- ✓ 4 powerful robustness tests you can use to verify if a breakout strategy is worth trading or belongs in the bin.
- ✓ How to automate the strategy creation process so you can create loads of breakout strategies quickly and efficiently,
- ✓ The 3 key steps to creating breakout strategies automatically - we'll even show you how to do it quickly so you can start generating powerful breakout models today,
- ✓ How to select the best candidates for further testing from the hundreds (or even thousands) of strategies you generate over time - that may sound crazy right now but you'll understand why we say this once you've seen the process!
- ✓ How many strategies you need to start trading and the 'system sizing' approach to building a portfolio of strategies for a smoother equity curve and a more stable distribution of profits.
- ✓ 3 important steps to rapidly scale-up your breakout trading fast,
- ✓ How to overcome common breakout trading challenges quickly and easily,
- ✓ The 8 step framework we use in our hedge fund to create hundreds of viable breakout strategies automatically.

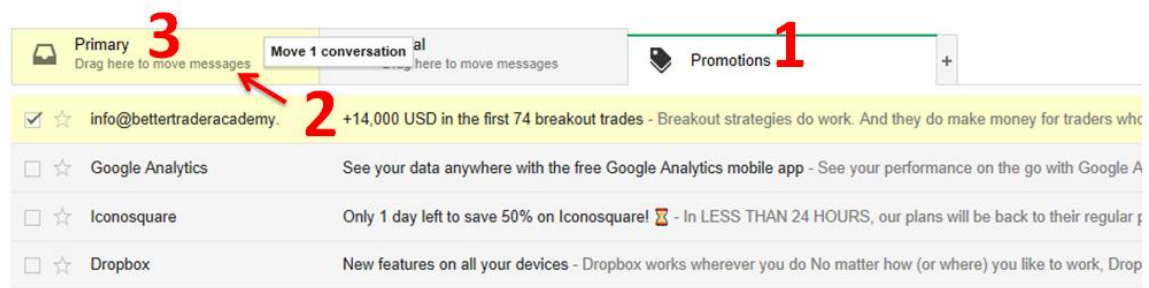
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And much more!

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About the author:

Meet Tomas Nesnidal - a breakout trading specialist



Tomas Nesnidal is a breakout trading specialist.

Not only is he has launched his own Hedge Fund based on breakout trading techniques in 2017, but he has also taught hundreds of his students in the Czech Republic to build profitable and robust breakout strategies too.

In fact, a number of his students have even taken these techniques to launch their own hedge funds as well.

Tomas's teaching has been featured on many media, including:

Featured on:



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