*Trend*Dynamics **LABS**
MAR/APR 2001

I was trading against the downward M-ORB (monthly opening range breakout)so I wanted more information than just the BKO of the I&Nx1 on the daily timeframe (see **C** on Chart 140, below).

Is this when you require more information before taking an entry, when fading a larger timeframe ORB? How do you weight the incremental cost of that additional information in larger risk/reward equation?

Yes, anytime I fade a larger timeframe whether an ORB or a *Trend Dynamics* trend I consider it a more speculative trade and the more information I can get the better.

This particular trade was a W-ORB (weekly ORB) up with nice macro-trade location (see **C** on Chart 140, below), but the environment isn't such that I would risk a stop at new lows or even a stop below the low of the entry day at 29 1/2.

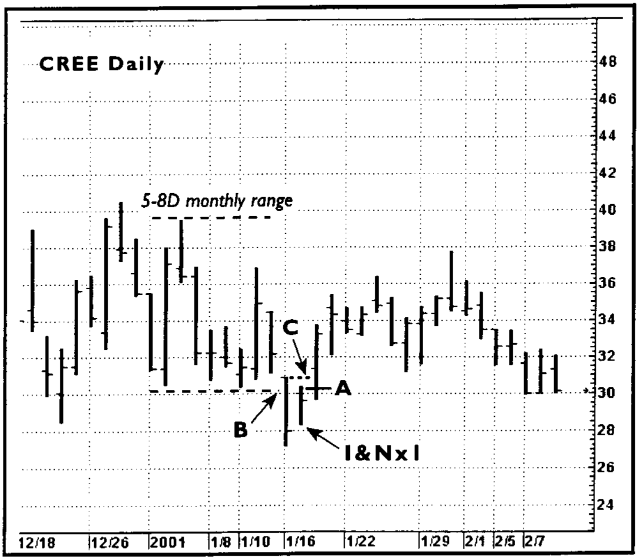

Chart 140. Macro-environment in CREE.

I normally trade stocks using a 30" market profile, but this trade is visible on a normal 30" bar chart. We had a quasi-PTP (See TDL 3:1:1-ff) at **X** on Chart 141, opposite, while the NDH1 (March 2000 Nasdaq 100 futures contract; see Chart 142, opposite below) had just triggered a M-ORB up the day before on 1/17/00 so the risk/reward relative to this trade location looked attractive.

The second bar in the chart, at **Y2** on Chart 141, opposite, was narrow, but didn't make new lows for the day — that's when the quasi-PTP pattern occurred. The third bar, at **Y3**, saw price moving up. Then, we got the D-ORB at 31 5/8, in the fourth bar at **Z**. Once I saw that I went long and put a stop at 30 3/4. This was a very tight stop and one might argue that I'm exposed to premature stop outs, but in the environment we're in I just wasn't going to risk 2 full points to stop.

This trade setup, with the congruence of macro-price events was an attractive setup. In this particular situation, I did not think the D-ORB should take out the bar that created the breakout of the day's range. Also, I was looking for a move up intraday with no rotation.