

The 5-min ORB playbook

Beginner's field guide to opening range breakout trading on MNQ futures. Built from Imhim257's method, refined with OTE entry, swing structure, and session timing — updated from live Q&A.

Instrument	MNQ (Micro E-mini Nasdaq-100) — best for NY open ORB
Setup	5-min opening range breakout + FVG or OTE entry
Session	New York open · 9:30 AM ET · 2:30 PM UK
Breakout window	2:35 – 3:30 PM UK (prime). Walk away by 4:00 PM UK.
Risk per trade	0.5% of account · strict for first 50 trades
Reward target	2R if stop \leq 40 pts · 1.5R if stop $>$ 40 pts
Trades per day	Max 2 · Stop after one win · Stop after two losses
Realistic edge	50–65% win rate · 2–5% monthly return when disciplined
Version	v2 — updated with OTE, swing structure, session timing

Before you go any further

Educational only. Futures and CFDs carry significant risk of capital loss. Simulate for at least 40 sessions before risking real money. MNQ futures may not be permissible under classical Shariah jurisprudence — verify with a qualified scholar if this matters to you.

At 9:30 AM ET the US market opens and the most concentrated burst of order flow of the entire day hits simultaneously: overnight orders, news reactions, institutional programme trades, and retail breakout hunters all transact at once. The first five-minute candle captures all of that compressed conviction. Its high and low are the points where the first wave of buyers ran out of patience and sellers ran out of inventory.

Above the high sit the stops of every short who got in early. Below the low sit the stops of every long. Whichever side breaks first triggers a cascade: stops get hit, breakout traders pile in, algorithms follow the momentum. That cascade is the trade.

Roughly half of all opening-range breaks are fake-outs. This playbook gives you a three-part filter (accepted candle close, FVG or OTE pullback, trend alignment) to distinguish real breaks from fake ones. When all conditions align, you enter. When any condition is missing, you wait.

Why MNQ specifically

NQ (Nasdaq-100) trends more aggressively after the open than the S&P (ES) or Dow (YM) because it is tech-heavy — momentum stocks produce stronger breakouts, cleaner FVGs, and less chop. Every source trader in this playbook explicitly favours NQ. MNQ at \$2/point makes it accessible for smaller accounts. For the London open, GBP/USD is an equally strong ORB instrument — see Section 12 for the full asset comparison.

Three checks before every session. Habit builds to under two minutes.

■ **Check the economic calendar.**

ForexFactory or Investing.com. Any red-impact print at 8:30 AM ET (1:30 PM UK) means volatile, whipsaw open — skip until you have 100+ trades of experience. FOMC days (rate decision 2 PM ET / 7 PM UK) are a blanket no-trade day.

■ **15m higher-timeframe bias on NQ.**

Higher highs and higher lows = bullish, longs only. Lower lows and lower highs = bearish, shorts only. Sideways chop = extra picky day, consider skipping.

■ **Mark overnight high and low.**

Overnight session: 6 PM ET previous day to 9:30 AM ET. Mark both levels. A breakout that also clears an overnight extreme carries more weight.

UK time reference

NY open: **2:30 PM** · First 5m closes: **2:35 PM** · Prime breakout window: **2:35–3:30 PM** · Walk away: **4:00 PM** · Clocks shift once per year during UK/US DST transitions.

At 9:30 ET the first 5-minute candle begins forming. You do nothing for five minutes. At 9:35 ET (2:35 PM UK) it closes. Draw two horizontal lines:

- **ORH** — the highest point the candle reached, wick included.
- **ORL** — the lowest point the candle reached, wick included.

These two lines define your battlefield for the entire session.

Acceptable range size (MNQ)

Range size	Assessment	Action
< 20 points	Too tight / sleepy	Skip or be very cautious
20–80 points	Healthy range	Trade as normal
80–120 points	Wide, often news	Reduce size, expect wilder moves
> 120 points	Extreme volatility	Skip — day's range may be exhausted

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Wait for the breakout + timing window

You wait for a 5-minute candle to **close** outside the range. A wick poking through does not count. The entire candle body must finish on the new side of the line.

- Candle **closes above ORH** → possible long setup.
- Candle **closes below ORL** → possible short setup.

The acceptance test

After the breakout candle closes, watch the next candle. If it closes back inside the range — fake-out, no trade. If it stays outside — acceptance confirmed, proceed to entry.

Memorise this

If there is no acceptance outside the range, there is no trade. This single test filters the majority of fake-outs.

The breakout timing window

The ORB edge decays fast. The longer after the open a breakout occurs, the less it is driven by true opening flow and the more likely it is random noise or pre-lunch repositioning.

UK time	ET time	Quality	Action
2:35 – 3:00 PM	9:35 – 10:00 AM	Prime	Most clean ORB moves happen here. Take A and B setups.
3:00 – 3:30 PM	10:00 – 10:30 AM	Acceptable	Still tradeable. Stick to A+ only.
3:30 – 4:00 PM	10:30 – 11:00 AM	Marginal	Only exceptionally clean setups. Be picky.
After 4:00 PM	After 11:00 AM	Walk away	No longer an ORB trade. Close the chart.

After breakout + acceptance, drop to the 1-minute chart and look for a fair value gap in the direction of the move. This is the one unfamiliar concept, so read it carefully.

What a bullish FVG looks like

Pick any three consecutive 1m candles: A (oldest), B (middle), C (newest). If **candle A's high is lower than candle C's low**, there is an empty zone between them where price never traded. That gap is your FVG. Price moved so aggressively through B that buyers left a vacuum behind — proof of momentum.

What a bearish FVG looks like

Flip it: **candle A's low is higher than candle C's high**. Price dropped so fast that sellers left a vacuum.

- Scan the 7–8 candles around your 5m breakout on the 1m chart.
- Find the three-candle FVG pattern in your direction.
- Enter at the close of the confirmation candle. Stop just past the far edge of the FVG.
- **No FVG = no trade.** Even if the breakout looks clean.

When the FVG appears later

FVGs sometimes form not at the exact break but during continuation a few minutes afterward. You do not need the FVG to form at the precise moment of the breakout candle. The rule is: FVG must exist before you enter, not necessarily at the first candle of the move.

OTE is a Fibonacci-based entry zone. If you cannot find a clear FVG, or want a simpler entry mechanic, use OTE instead. It gives you a measured pullback zone with a defined entry price.

The OTE zone is the band between the **0.62 and 0.79** retracement levels of the post-breakout swing. The **0.705 level** is the ideal entry within that zone — the sweet spot where risk is tightest and probability is highest.

How to draw OTE on a long setup (step by step)

- Wait for breakout + acceptance on the 5m chart.

- Watch price make a clear swing high after clearing ORH.

- Open your fib tool. **Click 1: the post-breakout swing low** (usually the low of the breakout candle or ORH level itself).

- **Click 2: the post-breakout swing high** (the highest point price has reached so far).

- The fib draws. The OTE entry zone is **0.62 to 0.79**. Your ideal entry price is the **0.705** level.

- Enter when price pulls back into the 0.62–0.79 zone and a candle closes in your direction inside that zone.

- Stop loss: just below the **0.79** level (tight) or below the **1.0** level (conservative).

For a short setup

Flip clicks 1 and 2: click the swing high first, then the swing low. Enter when price bounces back up into the 0.62–0.79 zone. Stop just above 0.79.

Fib level	Role	Notes
0	Target	Full projection of the swing — minimum aim
0.5	Reference	Midpoint, shows you are past halfway in the pullback
0.62	OTE start	Upper bound of entry zone — shallower pullback
0.705	Sweet spot	Ideal entry price within the OTE zone
0.79	OTE end / SL	Lower bound of zone. Stop goes just below this
1.0	Wide SL	Conservative stop. Wider = smaller position size

FVG inside the OTE zone — the A+ setup

The most powerful version: after your breakout, if the FVG on the 1m chart sits inside the 0.62–0.79 OTE zone on your fib, you have two independent confirmations agreeing. This is an A+ setup. Enter at the FVG, with the OTE zone providing extra confidence. If you only get one of the two, that is still tradeable — but when both align, size up slightly.

A swing high is a candle whose high is **higher than the candle before it AND higher than the candle after it**. A swing low is the reverse. One candle either side is sufficient on the 1m chart in a fast market.

The one-candle lag

You cannot confirm a swing high until the next candle starts trading lower. There is always a one-candle delay. In practice: you see price push up, make a high, then the next candle opens below that level — the prior candle is now your swing high. Act on it at that point.

When a new swing forms

Scenario	What happens	What you do
New swing before entry	Price makes a new high/low after the entry	Price has broken the swing. Always use the most recent completed swing.
New swing after entry	Price makes a new low below your stop level	Stop handles it automatically. You are already out. Do not overreact.
Ambiguous swing	Candle wicks overlap, hard to call which is the swing	Step up to the 5m chart. The swing will be clearer on a higher time frame.

The fractals indicator — training wheels

TradingView has a built-in indicator called Fractals (by Bill Williams). It automatically marks swing highs with an arrow above and swing lows with an arrow below. Add it to your 1m chart while you are learning to calibrate your eye. Settings: **period = 5**. It lags by two candles but is excellent for seeing where swings confirmed in hindsight.

General rule

Always use the most recent completed swing. Old swings from earlier in the session become irrelevant once a newer, closer swing has formed. The fib you drew 30 minutes ago is not the fib you should be using for an entry now.

Entry

Enter at the close of the candle that puts you inside your chosen entry zone (FVG or OTE 0.62–0.79). Use a market order or a tight limit at the current price. Never enter on a wick.

Stop loss

FVG method: just past the far edge of the FVG. OTE method: just below the 0.79 level (tight) or the 1.0 level (wide). The stop is set before entry and does not move except to breakeven.

Target

Stop size	Target	Logic
≤ 40 MNQ points	2R	Smaller stop = tighter risk = higher target probability
> 40 MNQ points	1.5R	Wider stop needs bigger move; scale target down

Trade management

- Once price moves halfway to your target, move stop to **breakeven**.

- After stop is at breakeven, worst case is zero on the trade.

- If momentum is very strong, consider holding a partial runner past 2R — trail the stop under each new 1m swing low (longs) or above swing high (shorts).

- Hard time exit: if the trade has not moved meaningfully in your favour within 60 minutes of entry, exit. ORB trades work fast or not at all.

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Position sizing

Size is determined by risk amount, not by confidence. This rule separates accounts that survive from accounts that don't.

$$\text{Contracts} = (\text{Account} \times \text{Risk}\%) \div (\text{Stop points} \times \$2)$$

Always round **down** to the nearest whole contract. If the result is below 1.0, skip the trade — the stop is too large for your account size.

Quick reference table — 0.5% risk per trade (MNQ)

Account	Risk (0.5%)	10pt stop	20pt stop	30pt stop	40pt stop
\$5,000	\$25	1 ct	0 — skip	0 — skip	0 — skip
\$10,000	\$50	2 cts	1 ct	0 — skip	0 — skip
\$25,000	\$125	6 cts	3 cts	2 cts	1 ct
\$50,000	\$250	12 cts	6 cts	4 cts	3 cts

\$5,000 is the practical floor for trading MNQ at 0.5% risk. Below this, most realistic stop sizes require less than one contract. Use a prop firm evaluation account or paper trade until you have more capital.

■ Maximum two trades per day.

Not three. Not 'just one more.' Two. Laptop closes after two trades regardless of outcome.

■ First trade wins → done for the day.

Do not give it back. The market will be there tomorrow.

■ First trade loses or breaks even → one more attempt.

If the second trade also loses, you are done. Forcing a third is revenge trading dressed up in justification.

■ No trade if no clean setup by 4:00 PM UK (11:00 AM ET).

Chop days are real. Three or four no-trade days in a row is normal. Not trading is a position.

■ No trading on FOMC, NFP, CPI, or PCE days until you have 100+ trades of experience.

Pre-market (2:20 PM UK)

No red-impact news. 15m NQ chart shows higher highs for two days — bullish bias. Overnight high 21,520, overnight low 21,440 marked.

The open (2:30–2:35 PM)

First 5m candle closes: high 21,495, low 21,468. Draw ORH at 21,495 and ORL at 21,468. Range = 27 points. Acceptable.

Breakout + acceptance (2:40–2:45 PM)

Second 5m candle closes at 21,506 — above ORH. Possible breakout. Third candle stays above ORH, closes 21,510. Acceptance confirmed.

Entry decision — two valid methods

Method	What you look for	Entry	Stop	Notes
FVG (1m)	Candle A high 21,498 · Candle C low 21,468 → gap 21,497	21,510	21,497	Gap is between 21,498–21,503. Stop just below gap
OTE (fib)	Fib from 21,468 (swing low) to 21,520 (swing high). 0.79 level = 21,483. Wait for pullback.	21,510	21,474	Tighter entry, deeper pullback.

Trade detail	Value
Entry (FVG)	21,510
Stop (FVG)	21,497 — 13 points = \$26 per contract
Target (2R)	21,536 — 26 points above entry
Size (\$5k acct)	1 contract ($\$25 \text{ risk} \div \$26 \text{ per ct} = 0.96 \rightarrow 0 \text{ contracts}$)
Outcome	Price tags 21,536 at 3:15 PM. Target hit. Day done.

The important ending

The target filled. Per the daily rules, you are done. NQ runs to 21,580 over the next hour. That extra move is not your problem. You followed the plan and banked the 2R. That IS the win.

Entering on the breakout candle itself

Waiting one extra candle for acceptance, plus the FVG or OTE pullback, filters roughly 35–40% of fake-outs. The slightly worse entry price is worth far more than the win-rate improvement it buys.

Moving the stop wider mid-trade

Price drops toward your stop and your brain says 'give it more room.' Do not. Your stop is set before entry and never moves wider. This single decision causes most blown accounts.

Trading on chop days

No clear ORB setup by 3:30 PM UK? Close the chart. Forcing a trade on a ranging day will produce fake-out after fake-out. Three or four no-trade days in a row is completely normal.

Measuring the fib from the wrong swing

Always fib from the most recent swing, not the day's overall high/low or yesterday's levels. Old swings are irrelevant once a newer, closer swing has formed. If price makes a new post-breakout high, redraw.

Skipping the journal

Without data you cannot improve. Every trade goes in the journal: date, direction, entry, stop, target, exit, R-multiple, one-sentence review. After 30 trades you will see which days are your A+ days.

Other ORB sessions

ORB works at any major session open because the same mechanism applies — concentrated order flow. The key sessions:

Session	UK time	ET time	Best instrument	Notes
NY equities open	2:30 PM	9:30 AM	MNQ / NQ	Best for US indices. Your primary session.
London open	8:00 AM	3:00 AM	GBP/USD, EUR/USD	Best forex session. Convenient for pre-school trading.
NY/London overlap	1:00–4:00 PM	8:00 AM–11:00 AM	EUR/USD, GBP/USD	Highest forex volume. Can also ORB USD pairs at 2:30
FOMC release	7:00 PM	2:00 PM	Any	Advanced only. 8x per year. Extremely volatile.

Asset comparison — which is best for ORB?

Asset	Session	Pros	Cons	Verdict
MNQ	NY open	Cleanest trends, tech momentum	US\$2/point pip needed, spread 1/4¢	Best for NY open
NQ	NY open	Same as MNQ with 10x size —	\$20 pip for large trends, \$25 for price from MNQ	Use for price from MNQ
ES/MES	NY open	More liquid, less volatile, lower range	Smaller ranges = smaller profit potential	More conservative
GBP/USD	London open	High volatility, great FVGs, swap free available	Forex breaks needed, spread 1/4¢	Best for London open
EUR/USD	London/NY	Most liquid forex pair, low spread	Smaller range than GBP/USD	Good secondary
Gold XAU	Both	Big daily range, strong momentum	Very high volatility, begin	Accidentally experienced

Recommendation for you

Start with **MNQ at the NY open (2:30 PM UK)**. It is the correct instrument for this strategy. Once you have 100+ trades logged, you could add GBP/USD at the London open (8 AM) as a second session if you want morning exposure. Never trade two sessions simultaneously while learning.

Days	Focus	What you actually do
1–10	Bar replay study	TradingView → NQ1! → bar replay. Step through 20 NY opens. For each: draw ORH/ORL, ide
11–20	Sim trading	Tradovate or NinjaTrader free sim. Trade live in real time with sim money. One MNQ contract
21–30	Sim refinement	Review your journal. Which days gave clean setups? Which were chop? What did your losers
Day 31+	Decision point	Only after 20+ sim trades with win rate $\geq 50\%$ and average R ≥ 1.5 should you consider going

Pre-market (2:20 PM UK)

■ No red news today · ■ 15m trend direction noted · ■ Overnight H/L marked

At open (2:30–2:35 PM)

■ Watch first 5m candle — do nothing · ■ Draw ORH and ORL at 2:35 PM · ■ Range 20–80 pts? If not, reassess.

Wait for breakout (prime window 2:35–3:30 PM)

■ 5m candle body **closes** outside the range · ■ Next candle confirms **acceptance** (stays outside) · ■ After 4:00 PM UK — walk away

Entry method A — FVG (1m chart)

■ Find 3-candle FVG: candle A high below candle C low (bull) or vice versa (bear) · ■ No FVG = no trade · ■ Stop past the far edge of the FVG

Entry method B — OTE (fib tool)

■ Click 1: post-breakout swing low (long) or swing high (short) · ■ Click 2: opposite extreme · ■ Enter in 0.62–0.79 zone · ■ Ideal entry: 0.705 · ■ Stop below 0.79

Best setup (A+)

■ FVG sits inside the OTE zone (0.62–0.79) — two confirmations align.

Execute

■ Size: $(\text{Account} \times 0.5\%) \div (\text{Stop pts} \times \$2)$, round down · ■ Target: 2R if stop \leq 40 pts, else 1.5R · ■ Move stop to BE at halfway to target

Daily rules

■ Max 2 trades · ■ First wins → done · ■ Two losses → done · ■ No FOMC / NFP / CPI days

MNQ quick reference

1 point	1 tick	Tick value	5m ORB range	Intraday margin
\$2.00	0.25 pts	\$0.50	20–80 points	~\$50–\$100 per contract

Fractals indicator	Swing detection	Fib period for fractals
Bill Williams Fractals (TradingView)	Auto built, swing H/L with arrows	Period = 5

Final note

This playbook is a framework, not a guarantee. Your real edge comes from the journal data you collect over 100+ trades — the patterns you spot in your A+ days and the rules you tighten around them. The strategy written here gets you started. The strategy that makes you money is the version you build and own over the next 12 months.