5-MINUTE EMA STRATEGY

The Breakout & Retest Trading Blueprint

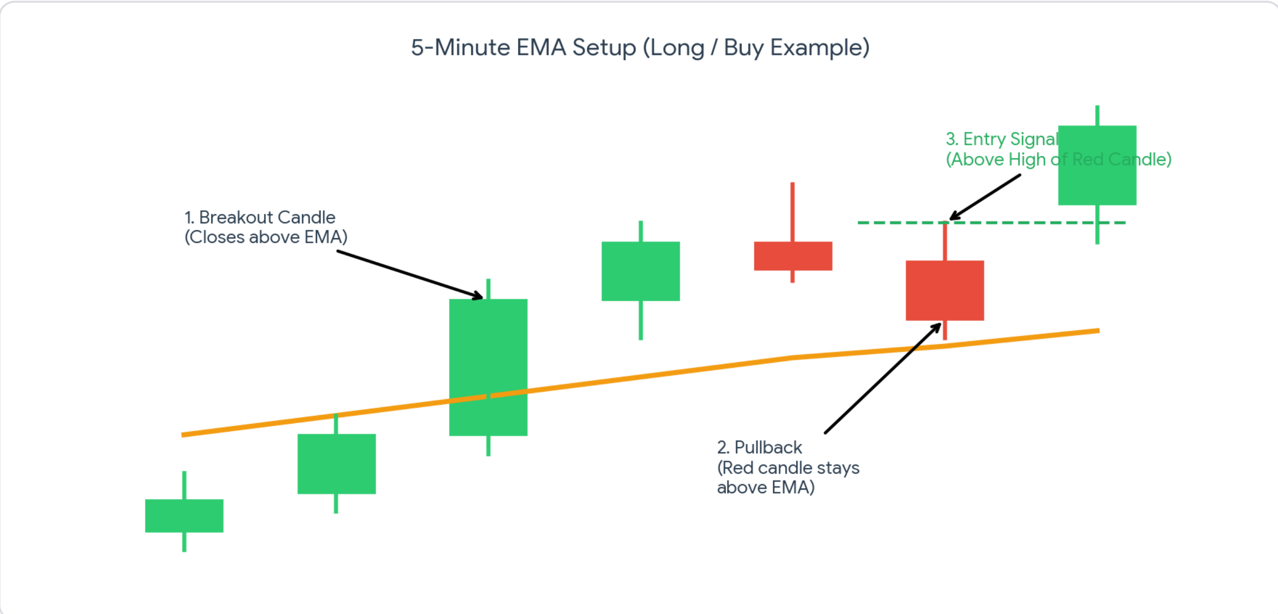
Core Setup & Logic

This is a continuation strategy designed to trade pullbacks (retests) following a market breakout. It specifically filters out false breakouts by requiring confirmation before entry.

- **Timeframe:** 5-minute chart.
- **Indicator:** 21-period Exponential Moving Average (EMA).
- **Data Source:** Applied to the Closing Price.

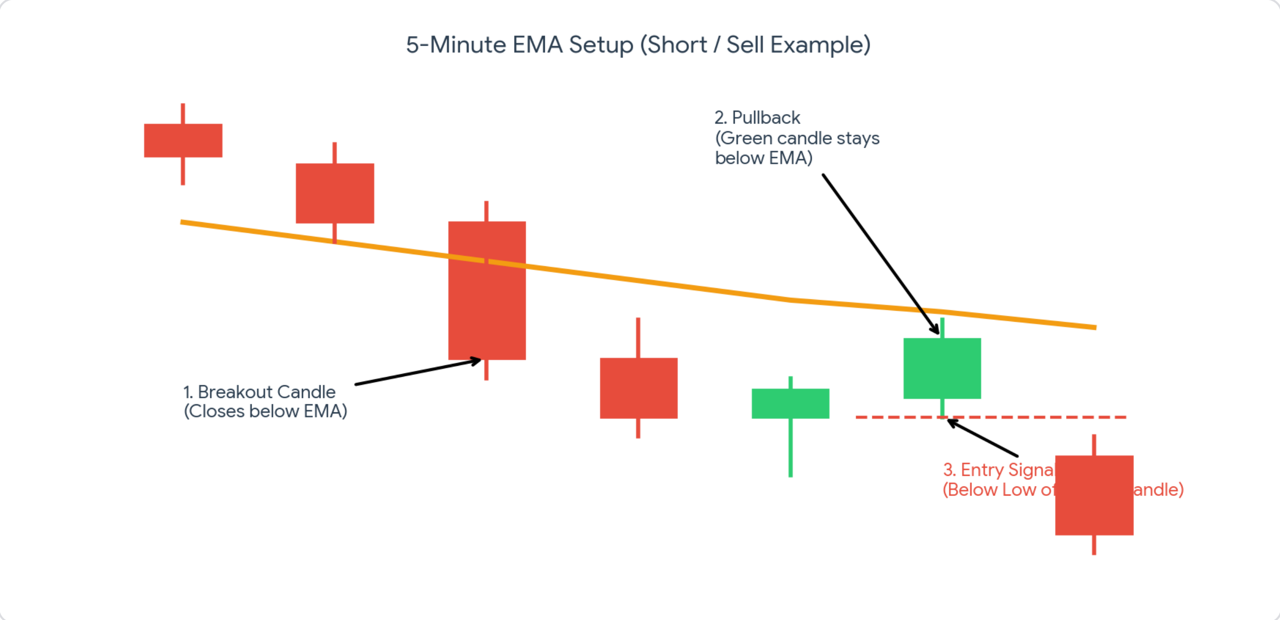
Trading Execution Rules

Bullish Setup (Long / Buy)



1. **The Breakout:** Wait for a candle to firmly close **above** the 21 EMA.
2. **The Pullback:** Monitor the next **3 candles**. Look for a **down-close (red) candle** to form.
3. **The Condition:** The closing price of this red candle **must remain above the 21 EMA**.
4. **Entry:** Place a buy order slightly above the **high** of that specific red candle.
5. **Stop Loss:** Place your stop loss slightly below the **low** of that red candle.

Bearish Setup (Short / Sell)



1. **The Breakout:** Wait for a candle to firmly close **below** the 21 EMA.
2. **The Pullback:** Monitor the next **3 candles** for an **up-close (green) candle** to form.
3. **The Condition:** The closing price of this green candle **must remain below the 21 EMA**.
4. **Entry:** Place a sell order slightly below the **low** of that specific green candle.
5. **Stop Loss:** Place your stop loss slightly above the **high** of that green candle.

Targets & Trade Management

- **Initial Target:** Always aim for a minimum Risk-to-Reward (RR) ratio of **1:1.5**.
- **Partial Booking:** Secure at least half of your profits once the 1:1.5 target is hit.
- **Trailing for Big Trends:** Trail your stop loss on the remaining position until a 5-minute candle strictly **closes on the opposite side** of the 21 EMA.

Pro-Tip: Enhancing Your Win Rate

To avoid getting prematurely stopped out by volatile price wicks, implement a **Closing-Basis Stop Loss**.

- Only exit the trade if a 5-minute candle actually *closes* past your stop loss level.
- **Safety Net (Hard Stop):** Place a hard stop loss order in your broker system at exactly **2x your original risk distance** to protect against sudden massive spikes.