

# INTRO



## The Exit Rule

# THE EXIT RULE

how most trends end

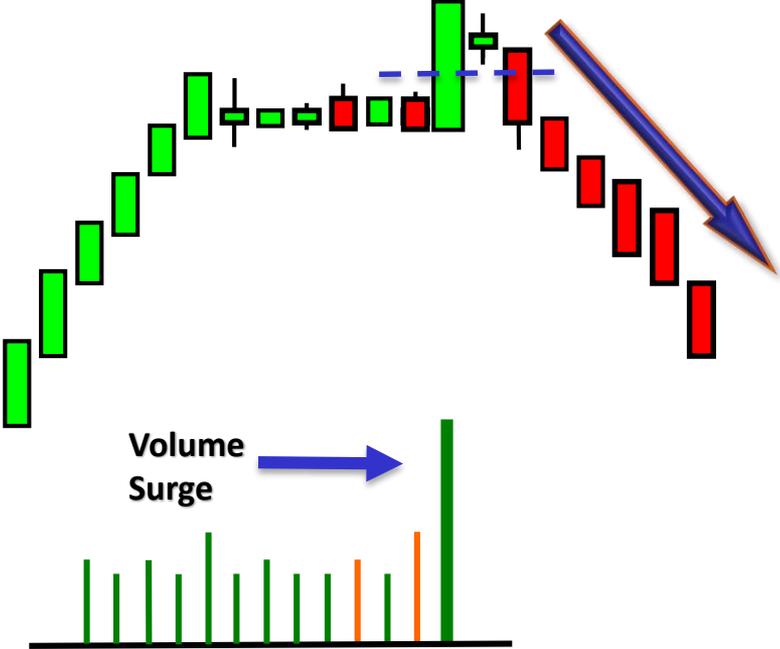
# CONCEPT

Most trends end in exactly the same way: The stock puts in a wide range bar followed by one or more inside, narrow range bars. The stock then breaks under the low of the inside bar(s) and begins to break down...

This is what I what I call the BO-NFT (breakout with no-follow through), and it is how 90% of all trends end. It's also how most breakouts fail.

# THE EXIT RULE

## How Most Trends End



## The Exit Rule

*Now you know how to...*

*Eliminate most break out/down failures,  
Spot the end of a move and trail your position or,  
Initiate a new one (short).*

*Let's look at a few examples...*

# THE EXIT RULE

## The Correct Exit: 5 Minute Chart

*If you were short this stock, where would the correct exit be?*



# THE EXIT RULE

## The Correct Exit: 5 Minute Chart

*If you were long this stock, where would the correct exit be?*



# THE EXIT RULE

## Additional Notes

The Exit Rule is not a strategy.  
You cannot apply it in a vacuum.

The Exit Rule applies to daily charts (i.e., swing trading) in the exact same way as intra-day charts.

However, if you don't heed the message, the consequences can be devastating...

# THE EXIT RULE

## How Most Trends End: Daily Chart



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## How Most Trends End: Daily Chart



# THE EXIT RULE

## How Most Trends End: Daily Chart



## The Exit Rule

*Let's take it a step further and use the Exit Rule  
i.e., breakout with no-follow through (BO-NFT)  
as an entry tactic*

# THE EXIT RULE

## Using BO-NFT As Entry: 5 and 15 Minute Charts

*Do you remember this chart?*

*This is how it was actually played...*



# THE EXIT RULE

## Using BO-NFT As Entry: 15 Minute Chart

*This was a Professional Gap Up on this day....*

*Can you name the pattern above?*

*Can you pinpoint the correct entry?*



# THE EXIT RULE

## Using BO-NFT As Entry: 5 Minute Chart

*This was a  
Novice Gap  
Up on this  
day....*

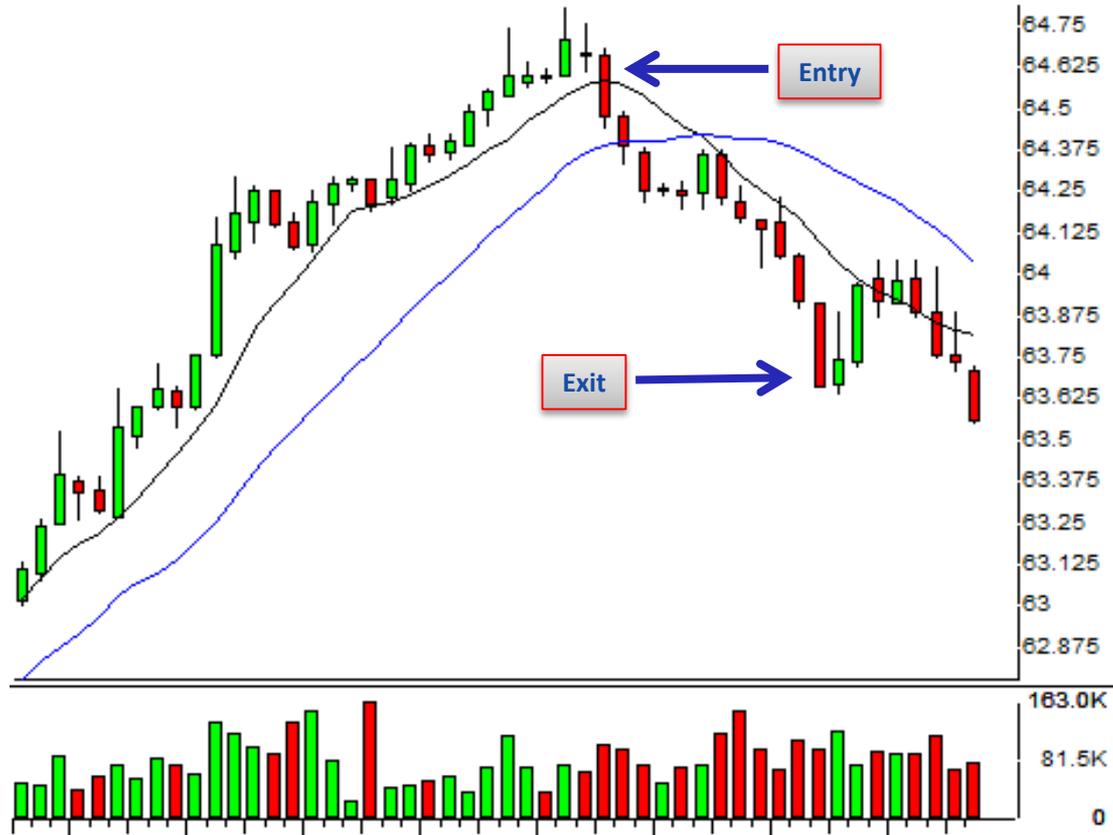
*This was a  
Climactic Sell  
Setup (CSS).*

*The stock  
retested a  
prior climactic  
top and failed  
(R&F)*



# THE EXIT RULE

## Using BO-NFT As Entry: 5 Minute Chart





# Thanks!

## Questions?

Please reach out to me

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