Funded Trading Plus

PropIQ
Prop Trading Insights

THE ORB STRATEGY

A practical strategy guide for traders using simulated prop trading programs.

1. CONTEXT

The Opening Range Breakout, or ORB, is a time-tested trading strategy that focuses on capturing momentum from the first key movements of the trading session. The idea is simple: the initial price range formed shortly after the market opens often sets the tone for the rest of the day. By identifying this range and trading a breakout beyond it, traders aim to take advantage of early volatility and directional movement.

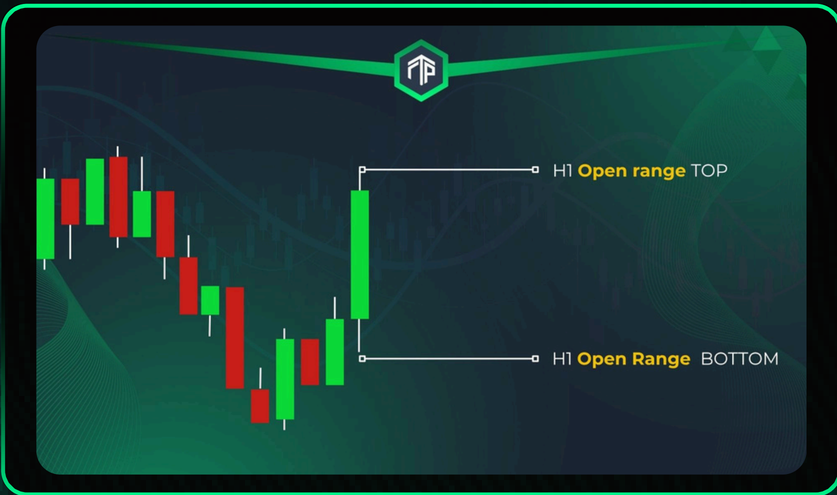
This strategy is widely used across multiple markets, including forex, indices, commodities, and stocks. Its strength lies in its structure and clarity — traders define the opening range, set clear breakout levels, and trade based on price action confirmation rather than prediction.

THE SETUP

The Opening Range Breakout (ORB) strategy works best during periods of increased volatility, which typically occur around the opening of major global markets. These are the times when liquidity, volume, and momentum are highest, providing the best opportunities for breakout trades.
Below are the main market opens to consider when applying the ORB strategy:

- London and European Session
- 8:00 AM to 9:00 AM GMT/BST – Best suited for trading the FTSE 100, German DAX, French CAC, and major forex pairs.
- New York Session
- 9:30 AM to 10:30 AM EST (which is 2:30 PM to 3:30 PM GMT/BST) – Ideal for trading the Dow Jones, NASDAQ 100, S&P 500, and major forex pairs.
- Tokyo Session

  9:00 AM to 10:00 AM Tokyo time (which is 12:00 AM to 1:00 AM GMT/BST) – Suitable for trading the Nikkei 225 and related Asian indices.



TRADE ENTRY

- ## ESTABLISHING TRADE DIRECTION

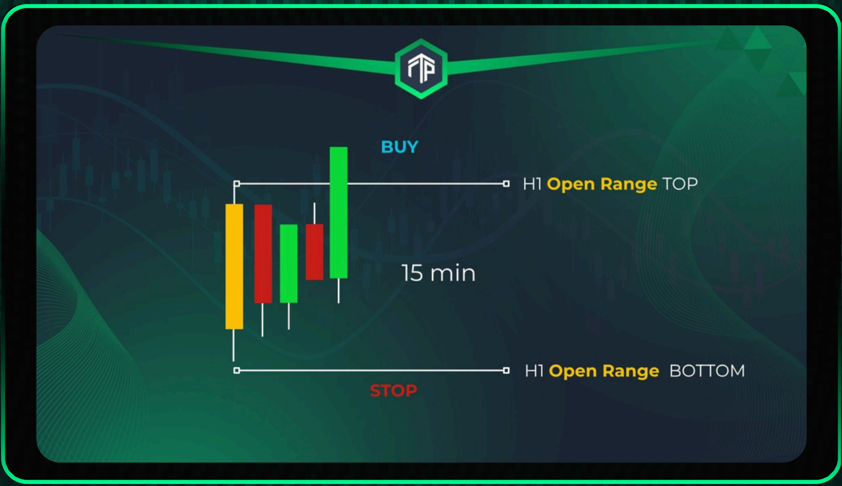
  Use the four-hour time frame to determine the overall market direction with two exponential moving averages, the 10 and the 50. For buy trades, the 10 EMA must be above the 50 EMA and both should be sloping upward. For sell trades, the 10 EMA must be below the 50 EMA and both should be pointing downward. Price should also be trading above or below the moving averages and not caught within the “jaws” of the averages.


FTSE, 4h
UK 100, Daily
Replay

ENTRY SETUP

- After the close of the one-hour opening range, move down to a lower time frame chart such as the 15-minute or 5-minute chart. Wait for a candle on the lower time frame to break and CLOSE outside the one-hour range.

- Place a buy trade if price breaks and closes above the high of the opening range. The stop loss should be placed just below the low of the opening range. Position size accordingly to lock in a pre determined % risk on the account.



- Place a sell trade if price breaks and closes below the low of the opening range. The stop loss should be placed just above the high of the opening range. Position size accordingly to lock in a pre determined % risk on the account.

TAKE PROFIT TARGETS AND TRADE MANAGEMENT

- The initial take profit target should be set at a minimum of one to one on the risk to reward profile. Once that level has been reached, additional profit targets can be placed at multiples of the initial risk, for example 1.5 to 1, 2 to 1, or 3 to 1.

Another approach is to use key technical levels such as previous areas of support or resistance as potential targets. However, if a significant support or resistance level lies between the entry point and the minimum one to one target, the trade setup should be considered invalid and avoided.

BASIC GUIDELINES FOR TRADING ON FTP+ SIMULATED CHALLENGES AND SIMULATED LIVE ACCOUNTS

Daily drawdown limits

Be mindful of the daily drawdown rules. For example,4 losing trades at 1% risk per trade would breach a 4% daily drawdown limit. Consider reducing the risk per trade to avoid violating account rules.

Maximum daily loss per asset class

Many challenges have a maximum loss limit of 2%t per asset per day. Adjust your position size and reduce risk per asset to ensure you remain within these limits.

Market correlation

Many assets are correlated, either positively, where they move in the same direction, or negatively, where they move in opposite directions. When following trends, several correlated assets may be in the same market phase. If the trend reverses, multiple trades could lose at once. Be cautious of daily and overall drawdown exposure when trading correlated assets.

News Events

Major news announcements can often lead to erratic and volatile market movements. Always be aware of upcoming economic releases or events that could impact the assets you are trading.

IMPORTANT NOTICE

DISCLAIMER

All information contained in this document is provided for educational purposes only.

The examples, charts, and strategies shown are based on simulated trading environments and do not involve real or regulated financial markets. Funded Trading Plus (FT+) programs operate entirely with virtual funds in a simulated environment. Any performance, results, or payouts mentioned are derived from simulated profits in line with program terms and conditions.

Nothing in this guide should be taken as financial advice or an invitation to trade real money. Trading and investing in financial markets carry significant risk, and you should always seek independent financial advice before making real trading decisions.

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