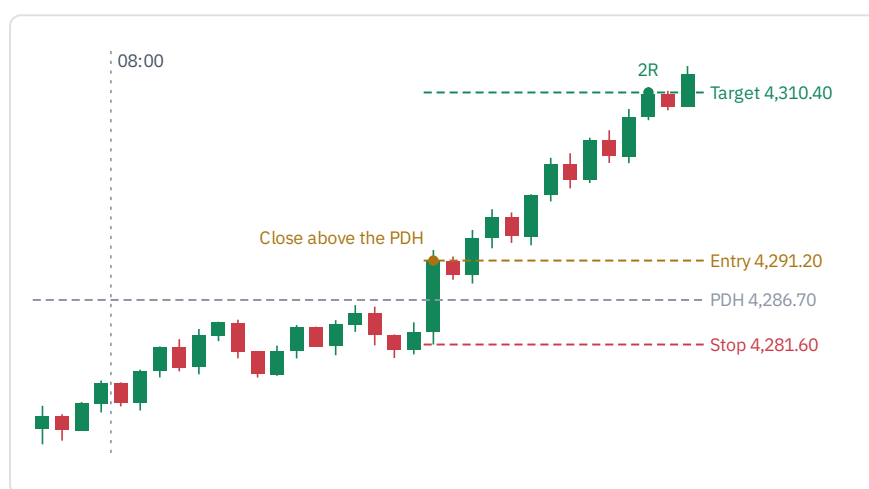


Previous Day High/Low Breakout strategy

PDH and PDL breakout rules, IST hours, a gold example with the lot size, and a free Pine Script. By M. A. Horaira, updated 10 October 2026.

THE RULES

- **Levels:** yesterday's high (PDH) and low (PDL) from the daily candle
- **Entry:** the first 15-minute candle that closes above the PDH (or below the PDL) by at least a tenth of the ATR, when the candle before it closed inside the level; enter at that close
- **Stop loss:** the breakout candle's low, or half an ATR back inside the level, whichever is further away (mirrored for shorts)
- **Target:** twice the risk (2R); skip the trade if the stop would be more than $2.5 \times \text{ATR}$ away
- **Hours:** new trades from 8 a.m. to 3 p.m. London time (12:30 to 19:30 IST in summer, 13:30 to 20:30 IST in winter); anything open is closed at 5 p.m. London time
- **Filter:** longs only above the 200 EMA, shorts only below it; each level is traded once



Illustrative chart drawn to show the rules, not a real day's prices.

WORKED EXAMPLE

XAUUSD: PDH 4,286.70. Candle closes at 4,291.20. Stop at its low 4,281.60 (\$9.60), target 4,310.40 (2R). $\$10,000$ at 1% = $\$100 \div (\$9.60 \times 100 \text{ oz}) = 0.10$ lots: $-\$96 / +\192 .

TIMES IN IST

	Summer	Winter
Breakout window	12:30 – 19:30	13:30 – 20:30
US data (careful)	18:00	19:00
Close open trades	21:30	22:30

Summer = BST for London times and US daylight time for US times.
UK clocks change on 25 Oct 2026, US clocks on 1 Nov 2026.

BEFORE EVERY TRADE

- ☐ Candle CLOSED beyond the level (not just a wick)?
- ☐ First close beyond it today?
- ☐ Stop no more than $2.5 \times \text{ATR}$ away?
- ☐ On the right side of the 200 EMA?
- ☐ No big data release on this candle?

BACKTEST IT BEFORE YOU TRADE IT

1. Open the chart on TradingView.
2. Pine Editor → paste the free script → Add to chart.
3. Settings → Properties: add your commission and slippage.
4. Look for 100+ trades, a profit factor above 1 after costs, and a drawdown you can live with.
5. Check the same settings on other dates, then demo trade for a few weeks.
6. Free script: pipledgerfx.com/downloads/previous-day-high-low-strategy.pine

For education only, not investment advice. Trading forex and gold on margin carries a high risk of loss, and no strategy wins every time. No backtest results are claimed here: test the rules yourself with your own costs. In India, residents may trade currency pairs only through SEBI-registered brokers on recognised exchanges (NSE, BSE, MSE) and gold on MCX; offshore forex and CFD platforms aren't allowed under FEMA. Full guide:

pipledgerfx.com/previous-day-high-low-strategy