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The Trader's Curriculum

by Dr Vee

Insights · Practice · Growth

Weekly evidence-based insights to become the trader you're meant to be

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The First Hour Tells the Story

Happy Sunday Traders!

This week we're talking about the Initial Balance (IB), why breakouts from it carry edge, and the indicator we built to trade them. Because in a world full of vague trad advice, we don't trade on "good enough". We trade on hard data.

1. LEARN

The Initial Balance, in Plain Language

The concept of the IB is most closely associated with J. Peter Steidlmayer, a trade the Chicago Board of Trade (CBOT) who developed Market Profile in the 1980s.

central insight was that the first hour of trading establishes an initial reference rar and what happens when price moves beyond that range reveals important informat about market participation and price discovery.

Why trade Initial Balance breakouts?

In Market Profile theory, the IB represents the range established during the very f hour of Regular Trading Hours (9:30 AM to 10:30 AM ET). When price breaks above below this range, it may indicate that the market is moving beyond its ini assessment of value.

- Break above IB High: Potential evidence of stronger buying activity ar upward price discovery.
- Break below IB Low: Potential evidence of stronger selling activity ar downward price discovery.
- Failure to sustain a breakout: Potential evidence of rejection, creating a opportunity to trade back toward the Initial Balance.

Think of it as the market's opening argument. The highest price in this winc becomes your IB High; the lowest becomes your IB Low. Once 10:30 AM hits, boundary lines are set, and the real game begins.

According to the data, here is what happens next:

- The Baseline Probability: A staggering 97.8% of ES days and 96.2% of NQ day see at least one IB breakout by the closing bell. It is one of the most consister structural realities in the markets.
- The Velocity: You won't have to wait around all day for the move. Rough two-thirds of all first breakouts (65.2% for ES and 63.9% for NQ) happe during the C-period, the exact 30-minute window right after the IB close (10:30 AM to 11:00 AM ET).
- The Reversal Tell: Pay attention to which extreme forms first. If the mark

punches up to make an IB high early on and then drifts down, it is twice a likely to result in a single downside breakout later. The market tends to brea opposite to whichever extreme formed first.

2. TRAIN

INTRODUCING IBPLAYS: Stop Guessing. Start Trading With A Plan.

Knowing the math is one thing. Executing it perfectly in real time while managing r is another. That is exactly why we built IBPlays, the ultimate IB trading toolkit TradingView.

Instead of just drawing manual lines on a chart, IBPlays automatically runs the m for you. It calculates morning volatility relative to the 14-day ATR, filters out l probability environments, and identifies five systematic trading setups acr breakouts, reversals, and failed ranges.

When a confirmed 1-minute price action breakout or retest occurs, IBPlays instar plots an exact entry zone, visual stop-loss boundaries, and two strict profit targets.

For retail, funded, and prop firm day traders, this tool is a game changer. Most fun traders lose their accounts not from a bad strategy, but from violating consiste metrics due to erratic profit distributions. IBPlays regularizes your approach targeting systematic, rules-based returns that protect you from overexposure.

Stop forcing bad entries during wide ranges and missing high-velocity moves dur narrow ones. The IBPlays indicator calls plays for the 9:30 AM to 10:30 AM ET IB a the VIBPlays indicator calls plays for the 6:00 AM to 7:00 PM ET evening futures op See the links of the two different indicators down here. All indicators come in package without extra costs. If you have any question, please reeach out vanessa@marketalchemists.org.

👉 *Click Here to Get Instant Access to IBPlays Today*

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Examples of IB trade calls last week:

NQ breakout long Oct 23rd (9:30 AM to 10:30 AM ET IB)



GC breakout short Oct 21st (6:00 PM to 7:00 PM ET IB)





RISK DISCLOSURE & DISCLAIMER: *Trading futures involves significant risk and capital exposure. IBPlays i educational charting tool designed for analytical support, not personalized financial advice. Algorithmic signals do eliminate execution risks or guarantee profitable outcomes. Historical data does not guarantee future performa Never trade with capital you cannot afford to lose.*

→ Dive Deeper

3. THIS WEEK'S QUESTION

If your trading became 100% mechanical tomorrow, how would it change y emotional state during the trading session? More importantly, how would y performance look different?

> *Limit your size in any position so that fear does not become the prevailing instinct guiding your judgment.*
>
> *- Joe Vidich, American Hedge Fund Manager*

THE WEEKLY ROADMAP

With this week's topic in mind, it's time to prepare for execution. Explore Vee's high time frame decision points guiding our Adepts' trading focus throughout the week

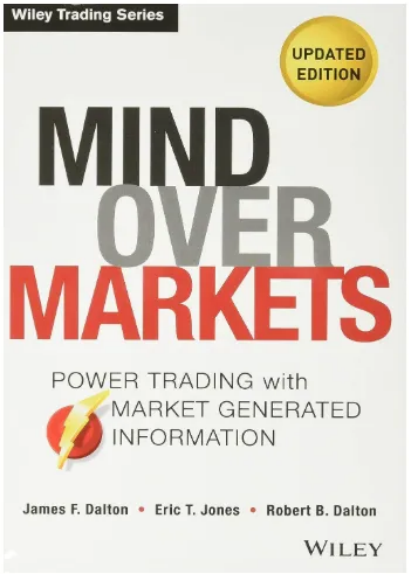
→ Explore Here

To one lesson at a time,

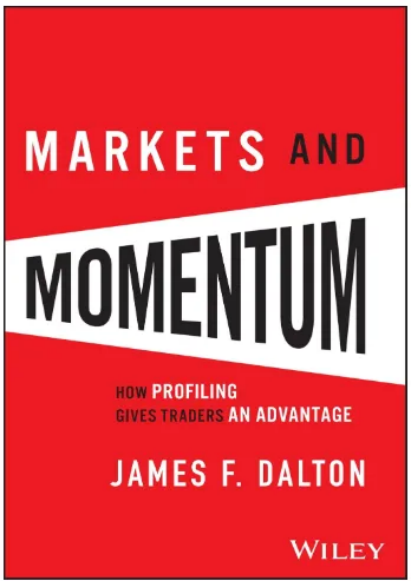
Dr. Vanessa Charland, PhD
Trading Science Communicator & Human Performance Specialist
Co-Founder of *Market Alchemists*

THIS WEEK'S BOOK RECOMMENDATIONS

1. **Mind Over Markets.** The book that brought the Initial Balance and Mark Profile to most traders. Start with the chapters on the open and on rang extension.



2. **Markets and Momentum.** Summarizing a lifetime of experience, fro formative memberships on the CBOE and CBOT to his role as UBS Director Hedge Fund Research, Jim challenges traders to recognize that *marke* understanding must be balanced with *self*-understanding.



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