MONEYSHOW • ORLANDO • OCTOBER 2026

MARKET ALCHEMISTS

The Initial Balance: A simple and powerful framework for trading the day

Read the range. Wait for evidence. Define the risk.

Dr. Vanessa Charland, PhD | Market Alchemists – www.marketalchemists.org

The first hour gives us a shared map

A-period

9:30–10:00 ET

First 30 minutes

B-period

10:00–10:30 ET

Second 30 minutes

At 10:30

Freeze IB high and low.

Range = high − low.

From Market Profile: does the auction accept prices outside this range?

ES1! · 1 · CME O7,860.25 H7,860.50 L7,859.50 C7,860.25
IB/ATR: 42% (Narrow)
7,879.75
SELL
0.25
7,880.00
BUY
14
IB High
25%
50%
25%
IB Low
50%
100%
Daily ATR: 78.31 (79% covered)
7,896.00
7,892.00
7,888.00
7,884.00
7,879.75
00:43
7,876.00
7,873.50
7,868.00
7,864.00
7,860.00
7,856.00
7,852.00
7,848.00
7,844.00
7,840.00
7,836.00
7,832.00
7,826.25
17.54
0.00
17.5
05:00
05:30
06:00
06:30
07:00
07:30
08:00
08:30
Tue 06 Oct 09:21
10:00
10:30
11:00
11:30
12:00

A breakout is common. A clean trend is conditional.

97.8% ES

At least one boundary breaks

28.7% break both sides

96.2% NQ

At least one boundary breaks

22.6% break both sides

A boundary crossing alone does not establish a profitable trade.

Start with width: the same breakout is not the same trade

IB tier	Range / ATR	ES breakout	Median extension	ES n
Narrow	< 0.5	98.7%	74.8%	1779
Normal	0.5–1.0	96.6%	50.7%	827
Wide	1.0–1.5	93.5%	39.6%	62
Extreme	> 1.5	66.7%	22.3%	6

Narrow: allow for expansion. Wide: moderate extension targets.

Extreme results are descriptive only: ES n = 6; NQ n = 13.

Targets should shrink as ambition grows

25% extension

52.0%

ES upside, by close

50% extension

38.2%

ES upside, by close

100% extension

18.8%

ES upside, by close

Plan partials at nearer levels; earn the right to hold a runner.

The C-period is the first decision window

10:30–11:00

≈65% of first breakouts occur in C-period

By 11:30

≈80% of first breakouts have occurred

11:00 close

Outside = confirmation

Inside = no confirmation

TradingStats • IB breakout study, 2015–2025 | See references

Acceptance outside raises extension odds

ES condition	100% up extension	100% down extension
All sessions	18.8%	20.5%
C closes beyond that edge	45.5%	50.0%

Confirmation improves the day-level context. Check remaining room to target.

These are session outcomes, not win rates for entering at 11:00.

Rejection changes the playbook

Failed C-period

Trades beyond the edge,

then closes back inside.

46.8%

Of failed-C ES sessions

ended as double breakouts.

Trade implication

Test a rotation setup.

Midpoint first; opposite

edge only with follow-through.

Formation adds a bias, not an instruction

ES formation	Single up	Single down
High forms first	24.0%	44.8%
Low forms first	52.5%	17.0%

Close above midpoint: 82.7% break up, but 44.1% also break down.

Use bias to prioritize a setup; price acceptance still decides.

Watch how deeply price returns into the IB

Shallow: <25%

93.8% closed in the breakout direction

ES n = 664

Deep: ≥50%

24.8% closed in the breakout direction

ES n = 1,462

Live rule: a midpoint return challenges continuation. Reassess.

Retrospective depth groups: 93.8% is not a live-entry probability.

Playbook 1 • Break, accept, retest

Context + entry

Narrow / normal IB.

C closes outside.

First 5-min edge retest closes outside again.

Risk + targets

Stop beyond retest swing.

½ at 0.5× IB extension.

Runner at 1× or next higher-timeframe level.

Invalidate + skip

Midpoint return: reassess.

Target already hit: skip.

Reward / risk <1.5: skip.

No retest: no trade.

Playbook 2 • Fail, return, rotate

Context + entry

C breaks an edge,
then closes inside.
First 5-min edge retest
from inside is rejected.

Risk + targets

Stop beyond failure high
(or low for a buy).
½ at IB midpoint.
Runner to opposite edge.

Invalidate + skip

Acceptance outside: exit.
Midpoint already hit: skip.
Reward / risk <1.5: skip.
One attempt per setup.

Trade the response to the range

WIDTH sets expectations.

ACCEPTANCE favors continuation.

REJECTION opens a rotation.

RISK decides whether you participate.

A reliable reference. A testable process. An edge you must verify.

References and interpretation

1 TradingStats (14 February 2026)

Initial Balance Breakout Statistics: ES & NQ Futures Data (2015–2025)

https://tradingstats.net/initial-balance-breakout-statistics/

2 Market Profile origins

Steidlmayer, J. P. & Koy, K. (1986). Markets and Market Logic.

Steidlmayer, J. P. & Hawkins, S. B. (2003). Steidlmayer on Markets (2nd ed.). Wiley.

MARKET ALCHEMISTS

Thank you!

www.marketalchemsits.org