

The Gap Magnet

Bennie Wel

A simple guide to trading the open back toward yesterday's close.

Concept

The cash open is not a blank page. It opens away from yesterday's 16:30 close, and that close often acts as a magnet. The Gap Magnet only takes the trade when the first 5-minute candle of the session, 08:00 to 08:05, closes back toward that prior close. The entry is the close of that candle, in the same direction. The bet is a gap fill: 30 points, 50 points, or all the way back to yesterday's close.

What you look for

- **Gap down.** The 08:00 open is below yesterday's 16:30 close, and the first 5-minute candle closes up. Buy the close.
- **Gap up.** The 08:00 open is above yesterday's 16:30 close, and the first 5-minute candle closes down. Sell the close.
- If the first candle closes further away from yesterday's close, there is no trade. The magnet has not started to pull.
- If the first candle has already traded through yesterday's close, the full-gap target is gone. The 30- and 50-point targets can still be tested.

Entry and stop

Entry is the close of the 08:00–08:05 candle. You do not wait for a second bar. The stop is the other side of that candle: the low if you are long, the high if you are short. That distance, from the close to the far wick, is the risk. It is not the full high-to-low range.

The stop, 2024–2026

Tested on DAX cash, 5-minute bars. A session counts only if it has an 08:00 bar and a 16:30 bar. 2026 runs from 2 January to 17 June. 18 June has no close and is left out.

Year	Trades	Average stop	Median stop
2024	127	31.1 pts	15.9 pts
2025	113	23.2 pts	20.3 pts
2026 to 17 Jun	55	22.2 pts	19.2 pts

The median is the middle stop: half the trades risk less, half risk more. In 2024 a few wide opening candles pull the average up to 31 points. The typical stop that year was 16. In 2025 and 2026 the average and the median sit together, around 19–23 points.

Targets

Three covers, each tested on its own. Exit at the target, or at the wick stop if that prints first. If both print in the same 5-minute bar, the stop is counted. The hit rate is the share of trades that reached the target before the stop.

Year	30 points	50 points	Full gap close
2024	44.1% (56/127)	34.6% (44/127)	33.7% (28/83)
2025	42.5% (48/113)	33.6% (38/113)	33.7% (35/104)
2026 to 17 Jun	45.5% (25/55)	36.4% (20/55)	22.9% (11/48)

The full-gap sample is smaller because some entries were already through yesterday's close. A 30-point win against a 16–20 point median stop is about 1.5:1 to 2:1. Breakeven before costs is roughly a 35% hit rate. These three years clear that line on the 30-point target.

What the point sweep says

The same trades, fixed targets from 15 to 100 points. Average result in index points, before spread.

Target	2024	2025	2026	Hit rate
15	+1.9	+2.0	−0.5	57%
30	+4.3	+0.6	+2.3	44%
40	+5.4	+0.3	+4.5	38%
50	+6.8	+1.9	+5.0	35%
60	+7.2	+2.5	+2.8	30%
75	+9.5	+3.5	−1.5	26%
100	+12.9	+4.5	−5.2	21%

Wider targets lift the average only because a few trades run. The median distance reached before the stop is 20 points in 2024, 22 in 2025 and 23 in 2026. Fifty points is the largest fixed target that stayed positive in all three years. Above 60, the half year of 2026 turns negative. A practical cover is 40 to 50 points, about 1.5 to 2 times the median wick.

How to read the edge

From 2020 through 17 June 2026 the 30-point target, wick stop, was hit 38.1% of the time on 834 trades. Winners made 30 points. Losers lost 16.3 on average, a realised 1.84:1. That is +1.36 points a trade before costs, and +0.16R. A 1-point round trip leaves +0.36. A 2-point round trip takes the edge away. 2024 carries a large share of the point total. This is a small gross edge, not a free one.

Thirty points is also not the same trade every year. As a share of the daily range it was ordinary in 2020 and easier in 2026, because the session range grew from about 220 points to about 320. As a percentage of the index it shrank, from 0.24% in 2020 to 0.13% in 2025. A fair 2020-sized target is 0.11 times the prior 14-day ATR: about 21 points in 2024, 35 in 2025 and 40 in 2026. On that scale the hit rate sits near 40–45% instead of drifting with the index level.

Why it is tradable

- The rule is binary at 08:05. The candle closed toward yesterday's close, or it did not.
- The stop is already on the chart. The risk is known before the click.
- The magnet is a known price, not a forecast. Thirty and fifty points are partial fills. Yesterday's close is the full one.
- This is not a bet that the gap continues. It is the first sign that the gap is being filled.

Psychology

The open is built to make you chase the gap. This technique does the opposite. If the first candle runs with the gap, you do nothing. If it closes back toward yesterday, you are in at the close, with the stop on the wick. The loss is the wick. Take it. The win is a measured cover, not a hope that the magnet always finishes the job. In this sample the full gap closed before the stop only about a third of the time.

The Gap Magnet is a technique by Bennie Wel. Numbers are from DAX cash 5-minute data, February 2009 to 17 June 2026, with the 2024–2026 window reported above. A stop and a target in the same 5-minute bar is counted as a stop. No slippage beyond the 1- and 2-point cost note. Not a recommendation to trade.