The School Run

A simple guide to trading Tom Hougaard’s household proprietary techniques.

***The School Run* is one of Tom’s proprietary techniques used to trade the market open break-out.**

Concept: The market-open is pure chaos. In the first 30 minutes, institutions scramble to execute massive blocks of buy and sell orders as fast as possible, creating unpredictable, erratic price action. But as that initial frenzy cools off—right around the time parents in the UK are finishing the morning school run—the noise subsides. This is where Tom Hougaard’s "School Run Strategy" steps in. Once the opening volatility clears, the market reveals its true intentions, offering disciplined traders a clearer, more decisive trend for the rest of the session.

What you look for: The strategy focuses entirely on the boundaries of that second 15-minute candle. Once it closes, its high and low form your definitive trading range for the morning, setting up two distinct execution paths:

- **The Classic School Run (Trend Following):** You buy a breakout above the second candle's high or sell a breakdown below its low. This bets that the post-open direction has real momentum and will continue driving the market for the rest of the session.
- **The Anti Move (Mean Reversion):** You sell a move above the second candle's high or buy a dip below its low. This bets that the initial breakout is a trap, looking to catch institutional stop-hunts and ride a sharp reversal back through the range. (Note: when the 2nd 15min bar is an inside bar, chances for an ANTI move increase significantly as the inside bar often gets resolved first, before the real move happens.)

Entry Signals:

The entry triggers immediately when price crosses the high or low boundary of the second 15-minute candle. You do not wait for a confirmation close or a sign of rejection—by then, the move is gone. Instead, you pre-determine your bias and execute instantly with a few points of offset:

- **Classic School Run Entry:** You place a buy-stop order a few points above the second candle's high, or a sell-stop order a few points below its low, getting swept into the market as momentum accelerates.
- **Anti Move Entry:** You place a limit order (or an aggressive market order) a few points *above* the high to go short, or a few points *below* the low to go long. You are filling the breakout immediately, betting that the initial push is a trap that will reverse just as fast.

Targets & Stops:

Because the School Run is a foundational technique rather than a rigid set of rules, risk management is entirely discretionary, allowing you to build a personal system around the setup:

- **Targets:** If the morning momentum is heavy, you can hold for a true runner to capture the session's macro trend. Alternatively, you can bank a quick 30 to 50 points on the DAX, which typically offers a clean 1:1 reward-to-risk ratio based on the initial bracket.
- **Stops:** Your defensive stop is placed on the opposite side of the second 15-minute candle's range. If you need extra breathing room to survive normal morning volatility, you can stretch the stop a few points further beyond that boundary.

Ultimately, this technique provides the framework; how you manage the trade depends entirely on your own risk profile and system rules.

Where it works:

This framework adapts to any market and any timeframe. While the core concept is universal, Tom Hougaard applies it heavily to major stock indices—specifically the DAX, Dow, Nasdaq, and FTSE—using the 15-minute chart to capture the post-open transition. It is effective across global sessions; for instance, during the recent Al Brooks event, the strategy delivered highly accurate setups on the ASX200. Whether you trade European, US, or Asian indices, the mechanics of filtering the opening noise remain identical.

Why it works:

The strategy works because it exploits how institutional money executes orders after the opening bell.

1. Institutional Order Clearing
In the first 30 minutes, large institutions, hedge funds, and algorithms are dumping massive, accumulated order blocks into the market. They aren't looking for an elegant trend; they just want execution speed. This creates erratic, multi-directional noise. The second 15-minute candle marks the end of this forced volume. Once it closes, the urgent order flow is mostly cleared, leaving behind a clean high and low that represent the true institutional battleground for the morning.

2. The Transition to Retail and Intraday Momentum
After the first half-hour, the market shifts from chaotic positioning to structured, daylight trend-following. The "school run" crowd and intraday traders step in. When the high or low of that second candle breaks, it forces trapped overnight traders to cover their positions, while simultaneously triggering breakout algorithms.

3. Human Psychology and Traps
Markets are designed to transfer money from the undisciplined to the disciplined. By defining a strict range using the second candle, you capture the two ways markets move

after chaos: they either commit to a strong, sustained breakout (The Classic), or they fake out late retail buyers to hunt liquidity before reversing (The Anti). The strategy works because it forces you to trade the reality of the break rather than guessing the direction during the opening mess.

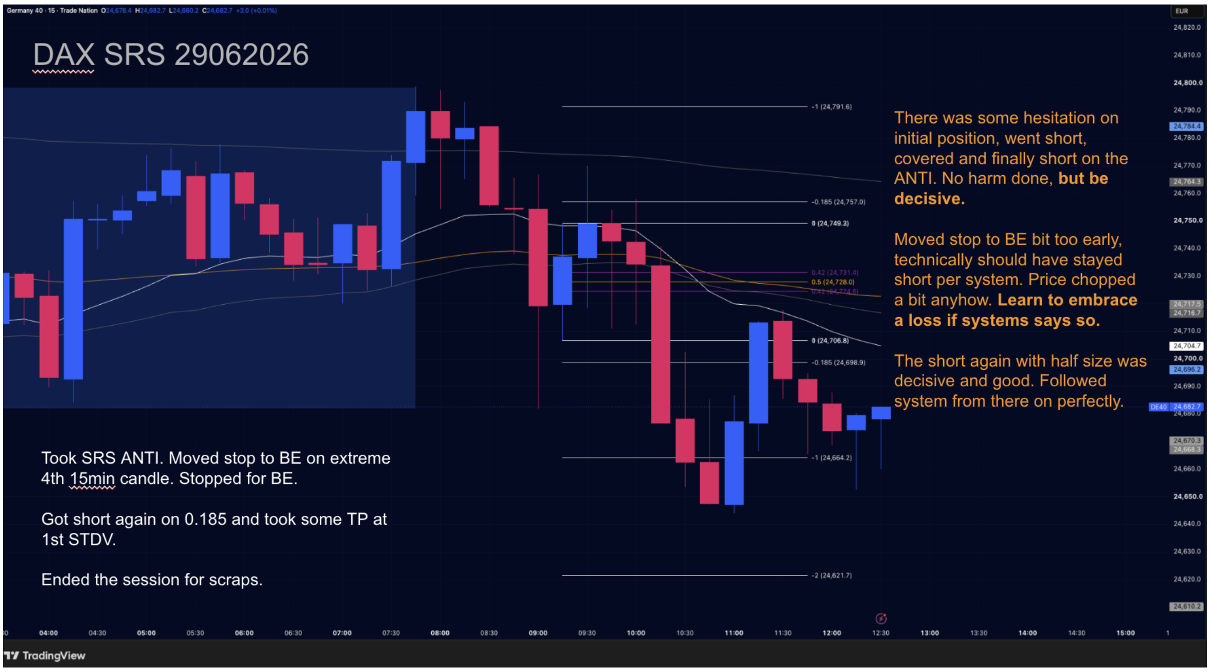
Psychology:

The School Run is as much a psychological filter as it is a technical setup. Its entire edge relies on your ability to do what most retail traders cannot: sit on your hands during the most exciting part of the day.

- Conquering FOMO: The first 30 minutes of the market are designed to trigger your emotions. The violent bars and rapid ticks scream at you to get in. This technique forces you to view that initial frenzy as toxic noise. You aren't missing out; you are letting the institutions tire themselves out so you can trade the aftermath.
- Accepting the Binary Reality: Once the second candle closes, you must switch from a passive observer to a cold executor. You have already chosen your side—Classic or Anti—and you must click the button without hesitation when the level breaks. There is no room for second-guessing or waiting for a "safer" entry.
- The Best Loser Wins: Because targets and stops are discretionary, this technique tests your execution discipline. If you take the Anti move and get run over, or if you trade the Classic and it immediately reverses, you must accept the loss cleanly. The strategy works because it structures the chaos; your only job is to manage the risk when the structure fails.

Case study:

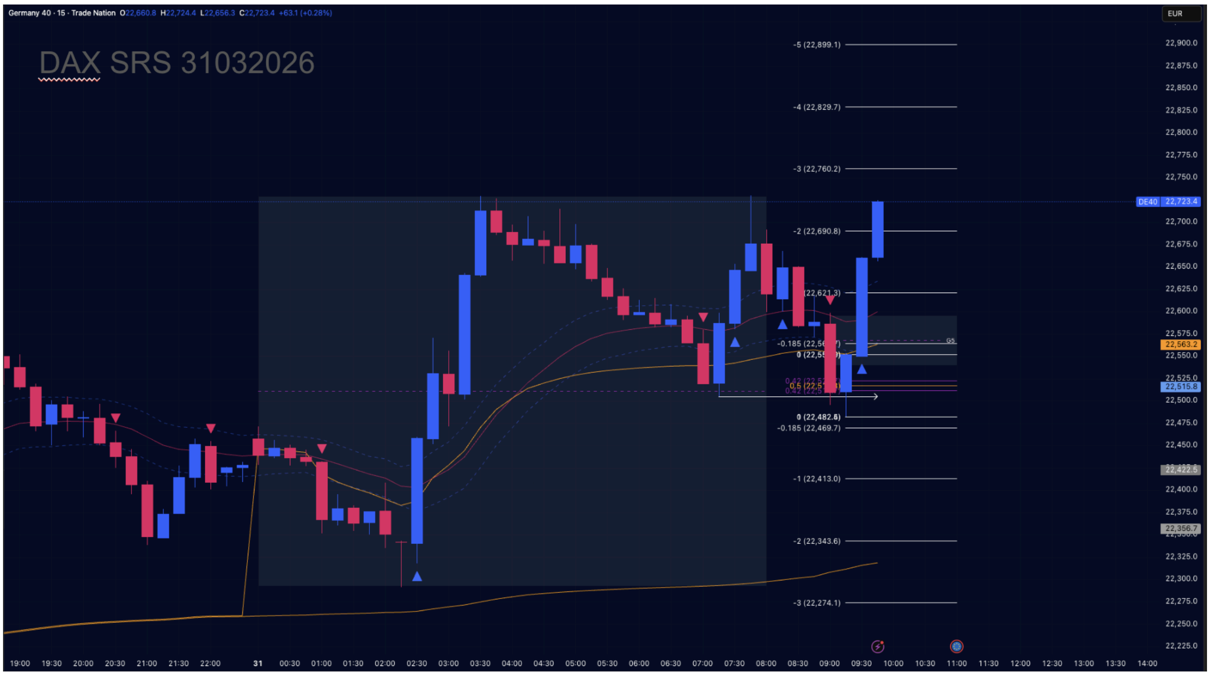
1/



(DAX on 15m chart 29-06-2026)

This is a clear ANTI school run above the range, it fell through with momentum on the short side (a place to add and/or move stops to BE on the original position). It ultimately ran until the 1st standard deviation; or one time the size of the school run range.

2/



(DAX SRS 31032026)

A clear momentum move, long above, the classic School Run. Based on the image, it ran to 2nd standard deviation and maybe even third (we don't know at this point). This means, you could have captured at least 2 times your risk.

Disclaimer: Full credits to the originator of this breakout strategy: Tom Hougaard. You can find more of his work on www.tradertom.com. This technique has been reinterpreted and documented by Karaoke Andi and Samsoms.