

Espresso Breakout Strategy

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

The Espresso Breakout Strategy is one of Tom's household staples used at the opening of a trading session (London or New York). It's a tool to jump on trends early (on rare trend days, the market has already made significant headway once the SRS forms). However, Andi uses it as an early scalping method, hunting for +20 points in the DAX or +40 points in the Dow and moving on. These trades usually take seconds to a few minutes and involve a decent degree of discretion (TP, SL, sizing).

Concept: Pre-open futures order books are thin; so when the market opens, it almost always breaks the range and creates a high-probability directional snap to that side, allowing you to capitalise on some points. It's profitable on CFDs due to tight spreads.

What you look for: The 8:55-9:00 (5M) candle on the DAX to define as your range, and the 15:20-15:30 (10M) candle on the Dow/NASDAQ.

Entry Signals: When the market opens, and the range is defined, add 18 points (DAX) or 34 points (Dow) offset to the range in either direction to enter a trade in that direction. Your stop-loss is fully discretionary depending on your risk tolerance and strategy.

Targets: When a trade in one direction has triggered, cancel the trade in the other, and surf the trade for approximately +20 points in the DAX or +40 points in the Dow. However, targets are fully discretionary depending on your risk tolerance and strategy. Contrary to this, it could also be a strategy to *flip the switch* and take the reverse trade instead.

Where it works: DAX (core), Dow (strong), NASDAQ (adaptable), FTSE (avoid—low volume kills it).

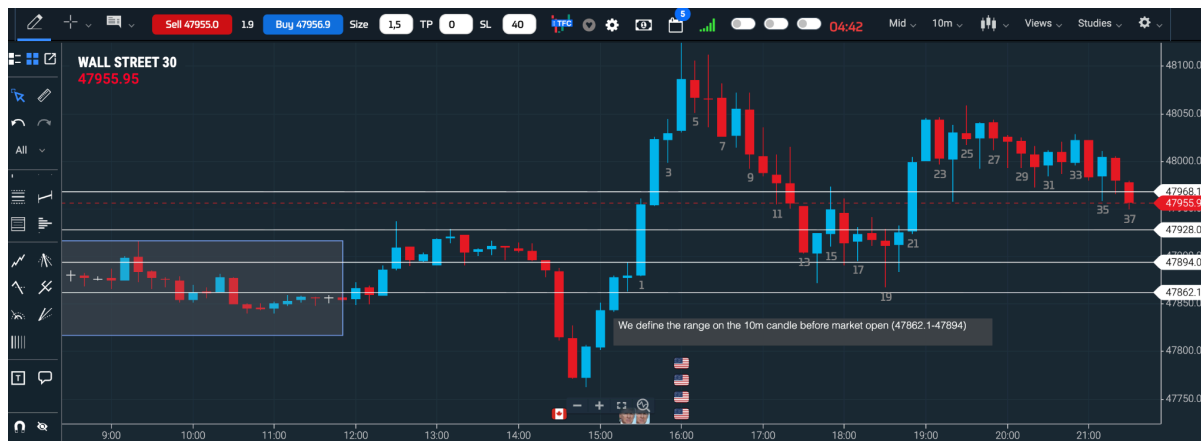
Psychology: Markets move fast when you are scalping, which can be nerve-racking. Stay focused and stick to your plan. Don't overthink your setups; get in and out and move on.

Additional tips: Place your targets on previous session points, such as high, low, open, and close. Use Andi's pre-market desk preparations as a guide for your trade.

Remarks: From 01/12/2015, we started using the 5m candle instead of the 10m candle on the DAX because the opening auction schedule for DAX instruments changed:
<https://www.deutsche-boerse.com/resource/blob/4680824/c2b7105a1dcb0b56e2dcc9c337c4f850/data/Xetra%20Retail%20Service%20Extended%20Trading%20Hours%20for%20Retail%20Investors.pdf>

Case study:

1/ Buy Breakout Win performed by Bennie Wel following Andi's approach.



(DOW30 on 05/12/2025)


1. We define the range on the 10m candle before market open between 47,861.1 and 47,894.
2. The market opens at 15:30 and decides to immediately break out to the upside and trigger our buy order at 47,928, which is exactly 34 points above the high of the defined range ($47,894+34=47,928$).
3. In this case, I chose to target a solid 1:1 (risk to reward) and take 40 points off the table at 47,968 ($47,928+40=47,968$). As you can see, this trade took around 5-7 minutes to win 40 points.

Library:

1/ Karaoke Andi Live Trading DAX on 17/04/2025:

<https://x.com/i/broadcasts/1vAGRDzPXqrxl> (from minute 17:30)

2/ Karaoke Andi Live Trading DAX on 22/10/2025:

 [Live DAX Trading – EU Session 22 Oct 2025 | – Perfect Setup, Flawed Execution](#) (from minute 5:10)

3/ Karaoke Andi Live Trading DAX:

 [Quick DAX Session: From -40 to +15 Points | Fast Reversal and Aggressive Recovery](#)

Notes: Interesting twist of flipping trade, adding to winners and locking a profit.

Disclaimer: Full credits to the originator of this breakout strategy: Tom Hougaard. You can find more of his work on <https://tradertom.com/>. This technique has been reinterpreted and documented by Karaoke Andi (<https://karaoke-andi.com/>) and Bennie Wel.

11/12/2025