

School Run Strategy

by
Tom Hougaard



**The School
Run**



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- **I reserve the moral rights to the label of the “Inventor of The School Run Strategy”.**
- **The School Run Strategy is one of a handful of “sure things” I use in my index trading every day, such as American Sniper, Soccer Mum, Rule of 4, The KingFisher and Brexit.**
- **This document contains some of the documentation I have created for the School Run Strategy.**
- **My hope is you will use it for your own trading.**
- **Do not share it.**
- **Do not commercialise it.**
- **Give due credit if distributed!**

15th December 2022 – Copenhagen - Denmark

Dear friends,

2022 is drawing to a close. The markets have been calmer in December than prior months, and it seems an opportune time to reflect on the year – and the purpose of this document.

No sooner had the calendar turned into 2022 when I contracted Covid. It was benign, compared to the tales of calamity I had heard from others. I thought I was clear of it after a week. Then I began to experience fatigue in a way I had never experienced fatigue before. Days of brain fog turned into weeks, and weeks turned into months.

I somehow managed to get through the London Symposium, which was a professional highlight of my life. To share a stage with the likes to Al Brooks, Larry Pesavento, Dr David Paul, as well as Steve Ward was a huge honour. Afterwards I went on a holiday, and the sunshine markedly improved my health, and my mood.

Unfortunately I had to go and play hero whilst on holiday (I am sure the rescued would disagree), and I severely damaged my back. This resulted in many days lying completely still on a bed, and peeing in a bottle. Yes, I apologise for the graphic details, but it paints a picture of just how bad a state I was in.

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Yet in spite of one personal challenge after another I was able to turn my starting capital in 2022 of £100,000 into well over £2,000,000. I took another account, one with a modest £5,000 and turned it into a plus £200,000 account, as a proof to a doubter that small accounts can turn big – under the right circumstances – with the right mindset.

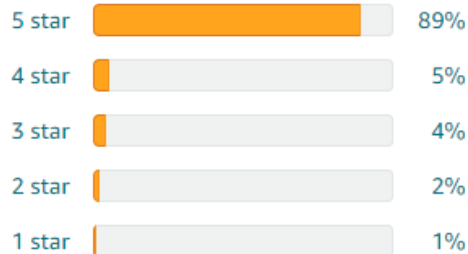
This leads me to my next point: [mindset](#).

2022 was also the year where my first book was published. The original draft was a 250,000 word monster of a book, which was edited down to a modest 75,000 words. Best Loser Wins has already sold 10,000 copies. You must have hit some sort of “nerve” when 89% of all reviews are 5-star reviews.

Customer reviews

★★★★★ 4.8 out of 5

254 global ratings



15th December 2022 – Copenhagen - Denmark

I am pleased when I read your comments on how the book has changed your approach to risk taking. In fact I am so proud of you, when I hear you have done the hard work, looked inwards with honesty and clarity, and come out on the other side, executing trades with a different frame of mind.

I once saw U2 – the Irish rock band – receive a Grammy, and the drummer, Larry Mullen Jr, took the stage and said “Live is where we live”. What he meant was that the band lived for the moments they were live in front of an audience. I can relate to that.

I don't want to be known as the man who wrote a good book, or the man that invented some funny sounding trading techniques. I want to show it live. I want to succeed live. I want to fall flat on my face live. There is too much “after the fact” and “opinion” in the trading industry, and there is too little “show me in real-time”. The only true way to learn the craft of trading is to trade!

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I have learned many valuable lessons in 2022. I have uncovered idiosyncrasies in the market that I have ruthlessly exploited again and again for my own (and yours – if you listened in) personal gain. I have reached a degree of detachment from the outcome that I never dreamed was possible. I have made tens of thousands of pounds trading live in front of audiences, demonstrating in real-time the importance of both technique and mindset.

However, the greatest lesson I learned, was also the most costly lesson. I learned that without my health I am nothing. All the money I have made means nothing without my mental and physical health. Lose that – and you are essentially “long a crashing market without a stop loss”.

And that is where I am!

I will return on the 2nd January 2023. Things will be done differently next year – better and more efficient – like a German would do it 😊. And let's face it – we do love the Germans for their relentless pursuit of excellence. Jaa Autobahn!!!!

Now let's end on a happy note.... **What the hell is the School Run?**

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I was listening to one of those YouTube videos, where the speaker is raving on about how great he is. It was sickening, as it normally is, because they never show anything of meaning or of value. This guy was a former Goldman Sachs trader, and he had a beef with educators, and retail traders, and pretty much everything in life. That was ironic because he was selling trading courses ... to retail traders. Ahh, isn't life full of inconsistencies.

One thing he said though peaked my interest. He had worked at a market making desk, and I began to wonder what the role of market makers (MM) had on stock indices like the FTSE and the DAX.

What if MMs were given specific instructions by their clients to execute an order first thing in the market upon the open, could this sometimes explain why the market is doing exactly the opposite of what I expected it to do?

I began testing different time scenarios in both the FTSE index and the DAX index. For the sake of space and time, I will only disclose my results for the DAX. That is not to say I am not going to share my FTSE findings at another time.

The German DAX index is a feisty index to trade. When it moves, it really moves. It can be as predictable as it can be unpredictable. What I have tried to do is to put some order to the predictability.

15th December 2022 – Copenhagen - Denmark

So what is the School Run, and why is it called the School Run?

The School Run illustrates a time during the opening hour of the DAX index where I have isolated a specific time-segment candle/bar, and if the market trades above/below this particular bar, I will buy/sell short.

The strategy is called the School Run Strategy, because it takes place at a time when mums and dads in Europe are taking their children to school. This journey, as done by millions of parents all over the world, is called the School Run.

I gave it this name because I had this idea that this strategy is so easy to trade that I imagined mums and dads, stuck in traffic, could tune into their trading platforms, observe the particular timeframe, and place orders. Clearly I was not thinking of the road safety issue with this approach. So whatever you do, stay safe and keep your eyes on the road!

I created the strategy around the idea that Market Makers used the first 30 minutes of the trading day to get urgent orders executed, after which the “real” trend would emerge.

Now that you have an idea of what the School Run Strategy is, let's get specific. Look at the next page and then move to the next page after that.

SUKX-FTSE - FTSE 100,10) Dynamic,0:00.24:00 (Delayed)

OK
Symbol: SUKX-FTSE,10
Date: 06/04/21
Time: 16:30
Price: 7140.50581
Open: 7069.04
High: 7069.04
Low: 7069.04
Close: 7069.04

DING RANGE?

Maybe this pattern?

Maybe this pattern?

7070

MONDAY

TUESDAY

THURSDAY

FRIDAY

15th December 2022 – Copenhagen - Denmark

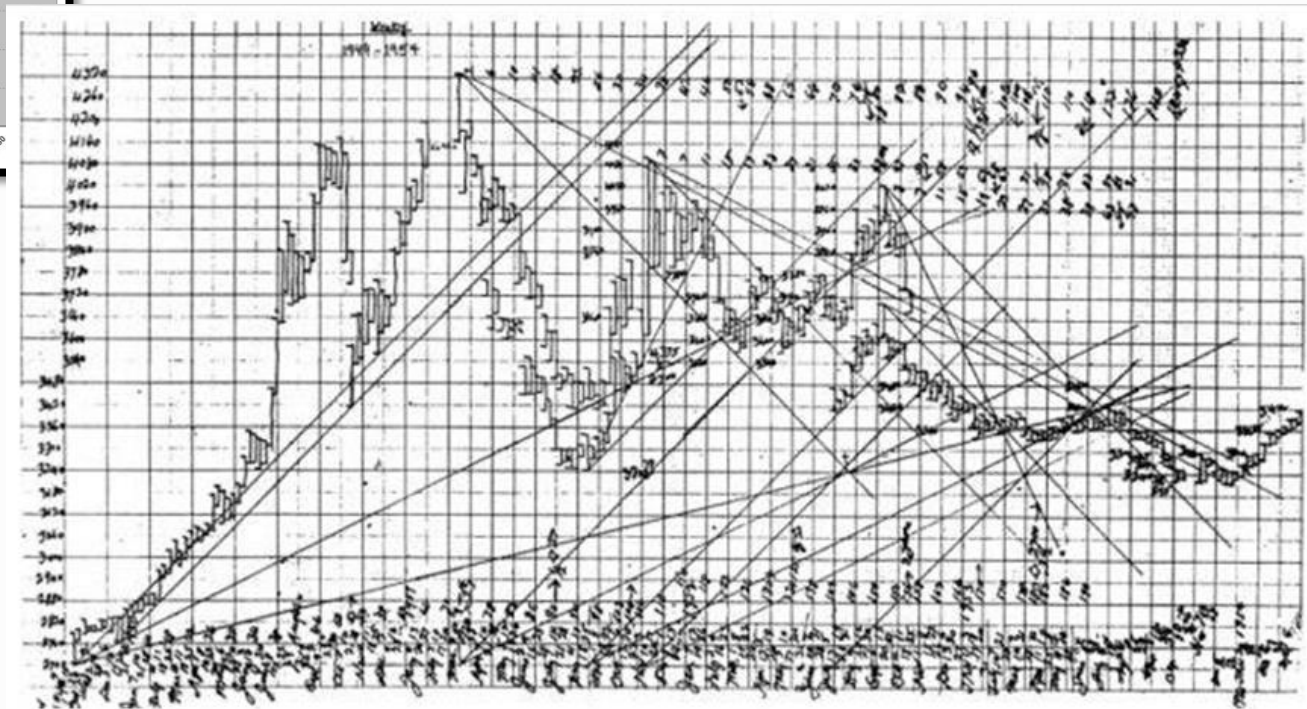
On the chart on the previous page you see a great example of what it is like to be a trader. The first arrow points to a weak open (Thursday), which definitely should have been shorted.

The second arrow points to a weak open, which was completely reversed moments later. What worked on Thursday would not have worked on Monday – in this example.

So what do we do now? Because right now, Wednesday, where you see the third arrow, and the big red arrow, the market has just done what it did on the Thursday and Monday.

Now that is trading!

Now move on to the next page, view it and then move on to the next page.



I have a low tolerance for bullshit, and I see bullshit in many areas of life, both past and present. I smelled a big pile of BS when I came across Gann Analysis 20 years ago. That is the black and white chart you saw on the previous page.

Gann managed to seduce a gullible public into thinking that somehow the movements of the markets were tied to the movements of the celestial cycles, such as the moon and the sun. He linked the market movements to a secret code in the bible, and because the Americans are so God fearing, it was fair to assume that only the chosen ones, who actually read the bible, would be given the key to the paradise – in this case profit paradise.

What a load of BS. I even had a colleague, who sold enormously expensive courses and books and newsletters, and to give it an air of mystique and credibility, he named it after a Hollywood blockbuster. But could you get the guy to trade live or make a proper forecast? Hell no. It was always “after the fact”.

Gann sold courses. My colleague sold courses, and they did it by making it look like there was a deeper meaning behind movements in the market, something beyond the consciousness of mere mortals, and these “special people” had found the solution, which is yours to buy – at a cost.

The other chart is my chart. It is simple. I use nothing on my charts. There are no indicators or lines. And I am about to teach you a great strategy that is purely mechanical. Now look at the next page and then move on to the next page, and then move on to the next page.

SUKX-FTSE - FTSE 100,10) Dynamic,0:00.24:00 (Delayed)

Symbol: SUKX-FTSE,10
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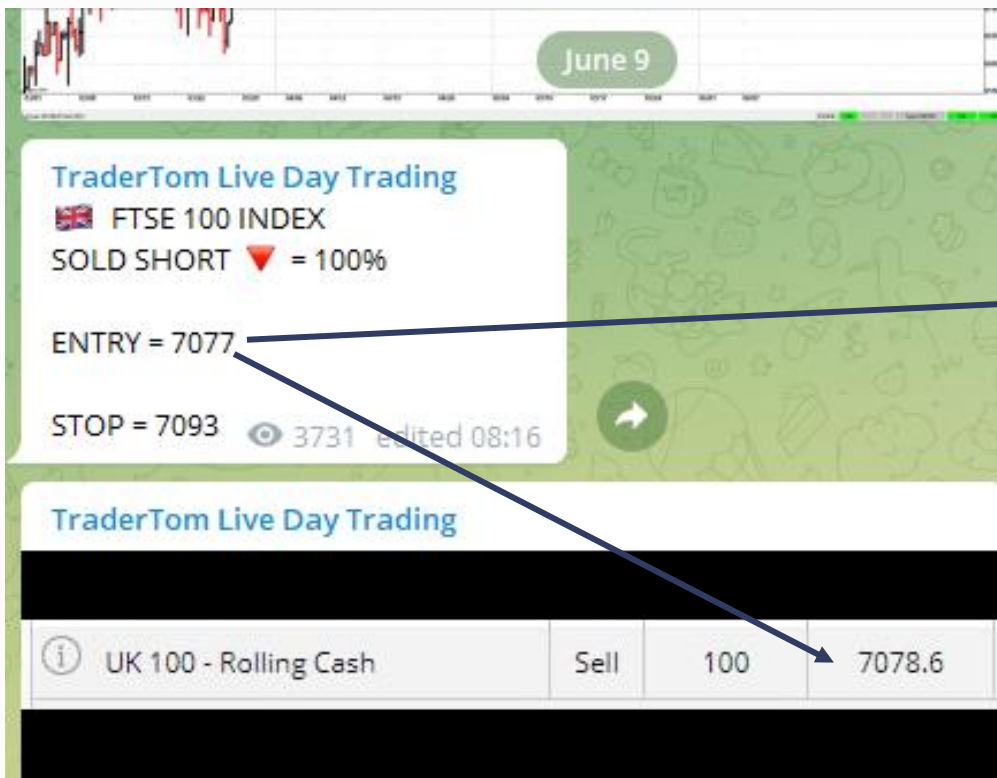
MONDAY

TUESDAY

THURSDAY

FRIDAY

Trading is the process of repetition, whether you like it or not, whether you want to do it or not, as well as emotional management and risk control. This is the “Wednesday” trade, from the previous pages. As you can see, I took the trade in the Telegram channel. Of course I did, because that is what we have to do as traders!!!



15th December 2022 – Copenhagen - Denmark

Now you know what my philosophy to trading is. I am mentally and “chart-wise” prepared, and then I execute my trades one by one.

Next I will talk about the rules for the School Run Strategy.

15th December 2022 – Copenhagen - Denmark

- 1. I use the 2nd 15min candle after the open of the DAX Index.**
- 2. The DAX Index opens at 9am European time.**
- 3. I use the 15min candle that takes place from 09:15am until 09:30am.**
- 4. I call this my “signal bar”.**
- 5. I put a line above the high of this signal bar.**
- 6. I put a line below the low of this signal bar.**
- 7. If DAX trades above the high, I go long.**
- 8. If DAX trades below the low, I go short.**

These are the essential rules. Before I refine your understanding, I will show you visually what I mean.

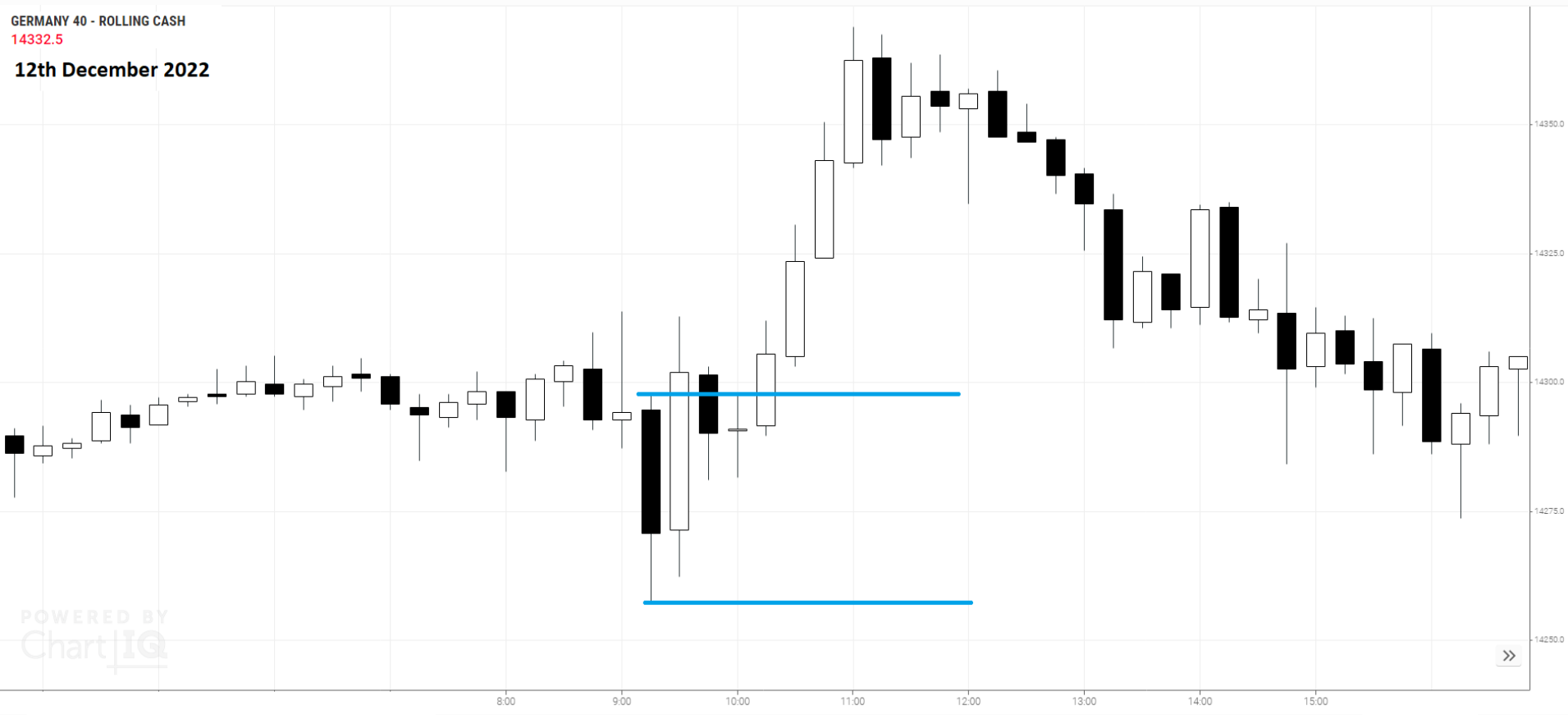
GERMANY 40 - ROLLING CASH

14332.5

12th December 2022


GERMANY 40 - ROLLING CASH

14332.5

12th December 2022


15th December 2022 – Copenhagen - Denmark

1. I place “buy order” 2 points above high.
2. I place “sell order” 2 points below low.

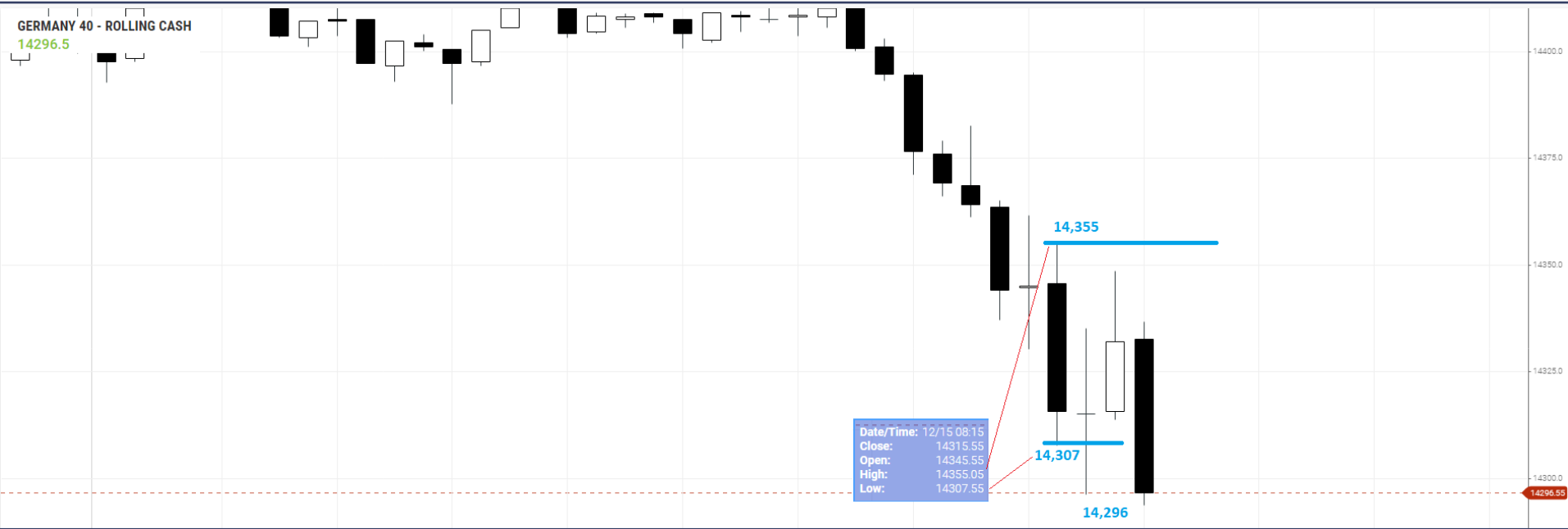
The reason I do this is because I want to avoid being triggered into trade, if the DAX index merely touches the prior bars high or low.

For example, if the high of signal bar is 14,355, and the low is 14,307, as it is today, the 15th of December 2022, I have a buy order at 14,357, and a sell short order at 14,305. Please note that my clock on my PC is set to a different time zone, so the “09:15” signal bar on my PC is actually the one from 08:15am.

Date/Time:	12/15 08:15
Close:	14315.55
Open:	14345.55
High:	14355.05
Low:	14307.55

While I am preparing to publish this document, the DAX index has triggered a short signal at 14,305. The market went my way for a while, then moved significantly against me, only to come all the way back in my favour, which is where it is right now.

Often time when a market has moved against me and then come back into profit, I double up on my position, and move stop loss as tight as I think is possible.



Patience rewarded . .today. Accept that sometimes patience is now rewarded.



15th December 2022 – Copenhagen - Denmark

I do not have an exit rule!

I read the chart to the best of my ability, and I accept the outcome. As you go through the evidence material, you will begin to understand the power and the short-comings of this strategy. There is no doubt in my mind that you can make an extraordinary living from the School Run Strategy alone, BUT it is not a linear income.

15th December 2022 – Copenhagen - Denmark

Adding to winning trades is something you should not attempt until you have done serious work on your mindset.

I could add more, but I refer to my book Best Loser Wins.

I am not being cryptic. It is just an acknowledgement that most people are lazy. The majority of people do not want to do the work, and those who do, they will find they answers in my book.

15th December 2022 – Copenhagen - Denmark

There are three rules you can use for a stop loss:

Rule 1 – you put stop loss above/below the extremes of the signal bar. This is for most trading days NOT practical because you will have to have a stop loss that can be rather large.

Rule 2 – You use a 40 point stop loss. That works well under most circumstances, although this was tested when Dax Index was trading around 12,000, and it may need tweaking if it begins to trade significantly above or below this number.

Rule 3 – you place the stop loss above the half way line of the signal bar. How much above is at your discretion. I often switch to a 5min chart to see if there is an obvious place to position my stop loss.

15th December 2022 – Copenhagen - Denmark

I go both long and short – not at the same time – but I will take both the long signal and the short signal, if both are presented during the trading morning.

I don't have a time parameter, where I am no longer observing the boundaries of the signal bar. I have experienced being filled in the afternoon on this approach.

15th December 2022 – Copenhagen - Denmark

I trade this using CFDs, but you can trade it using futures. Here I have taken a snapshot from my broker's platform, and I have circled the price in red that I trade on. However, say you trade the futures market, you can still use this approach. You use the same principles as I have, but you use a futures price chart, using near contract month.

EUROPEAN

Market	Sell / Buy			Daily Change		Low / High		
Euro Stocks 50 - Future (Dec)	3928	3930	↑	-23	-0.58%	3917	3958	TRADE
Euro Stocks 50 - Future (Mar)	3933	3935	↑	-23	-0.58%	3922	3963	TRADE
Euro Stocks 50 - Rolling Cash	3927.9	3928.3	↑	-22.0	-0.56%	3916.9	3955.8	TRADE
France 40 - Future (Dec)	6659.8	6663.8	↑	-27.0	-0.4%	6634.8	6700.0	TRADE
France 40 - Future (Jan)	6661.5	6665.5	↑	-26.0	-0.39%	6636.3	6700.8	TRADE
France 40 - Rolling Cash	6661.0	6661.8	↑	-26.9	-0.4%	6636.2	6697.6	TRADE
Germany 40 - Future (Dec)	14301	14304	↑	-103	-0.71%	14260	14455	TRADE
Germany 40 - Future (Mar)	14380	14383	↑	-103	-0.71%	14339	14534	TRADE
Germany 40 - Rolling Cash	14303.1	14304.0	↑	-99.9	-0.69%	14261.1	14452.0	TRADE
Spain 35 - Rolling Cash	8316	8319	↑	-41	-0.49%	8268	8332	TRADE
Switzerland 20 - Rolling Cash	11057.1	11059.1	↑	-34.1	-0.31%	11008.1	11108.4	TRADE

15th December 2022 – Copenhagen - Denmark

What follows is the documentation – or parts of it. I have manually tested the strategy for the last 2 years. This is 500 trading days. I have to manually input the slides into the PowerPoint presentation, which is time consuming. I am sure there is a smarter way of doing it, but as with my testing, I like to do things manually. I learn something along the way.

In the event you don't make your way through the entirety of the documentation, I will now wish you a merry Xmas and a happy new and prosperous new year.

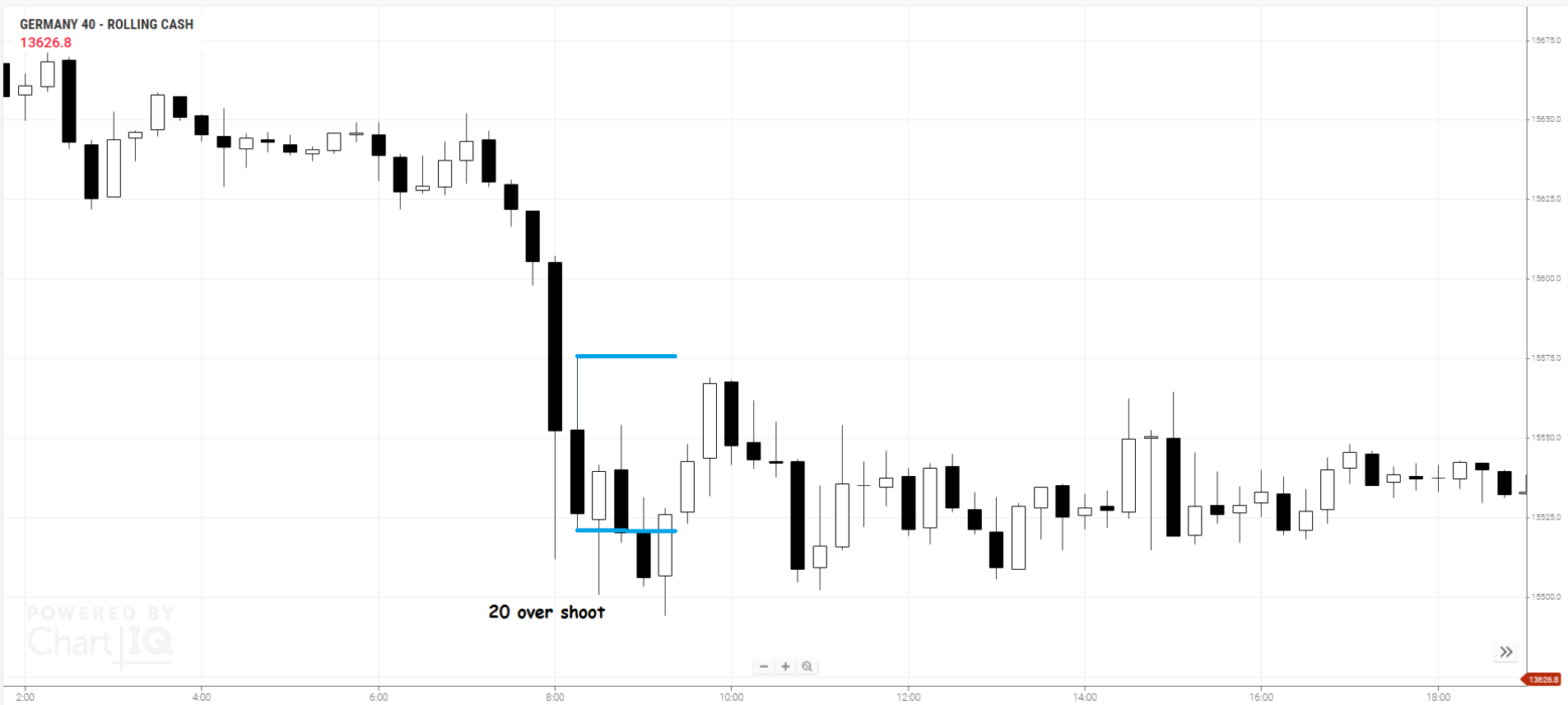
I will see you in 2023.

With love and seasons greetings.

Tom Hougaard.

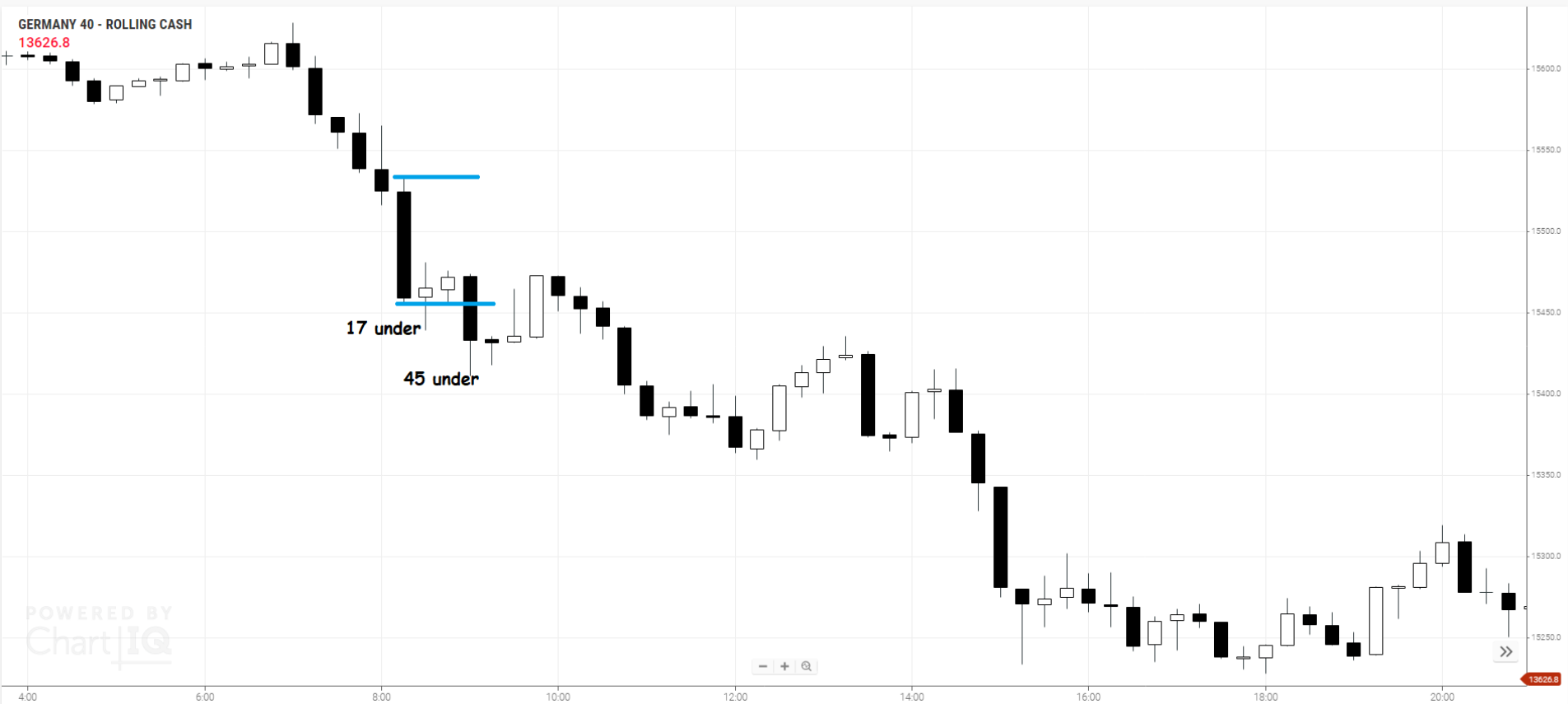


In the early part of the documentation I didn't put dates on. I just marked the 15min candle and then made a note of how much the market went above or below the signal bar.

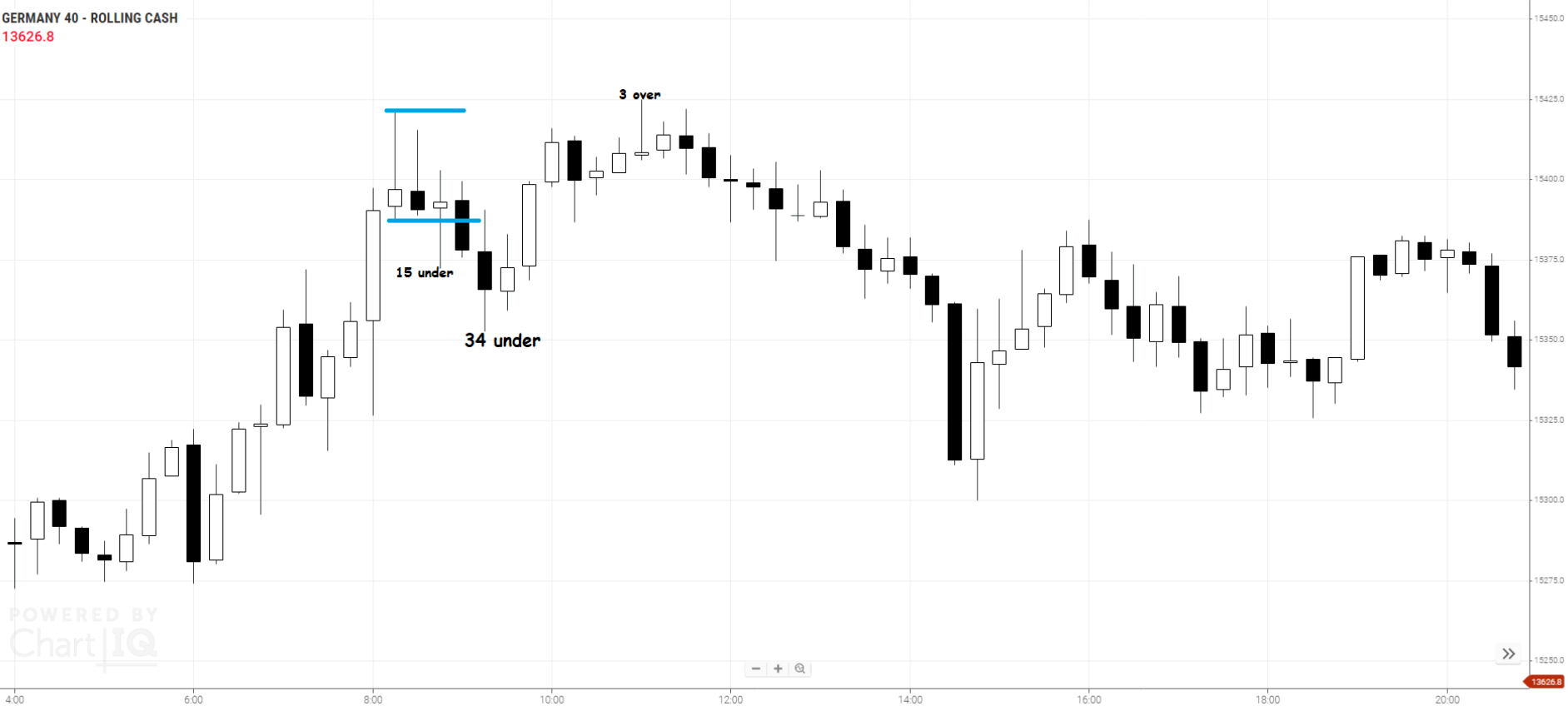


I am not handpicking the charts. This is one day followed by the next day. This is from the DAX index in 2021. Here the DAX index goes 2 points above and then 4 points below the trigger bar, only to trade into the range for the next 6 bars of 15min duration.

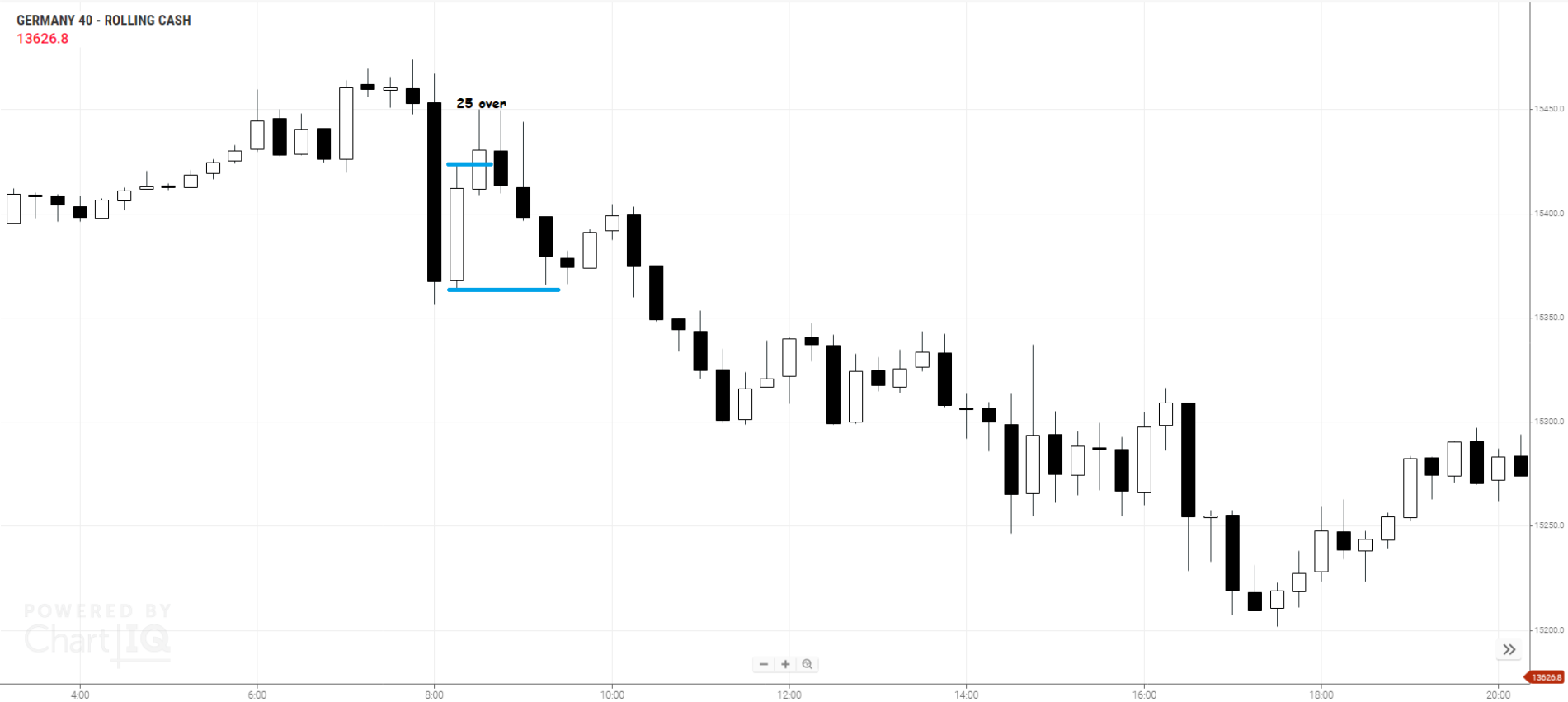




GERMANY 40 - ROLLING CASH
13626.8



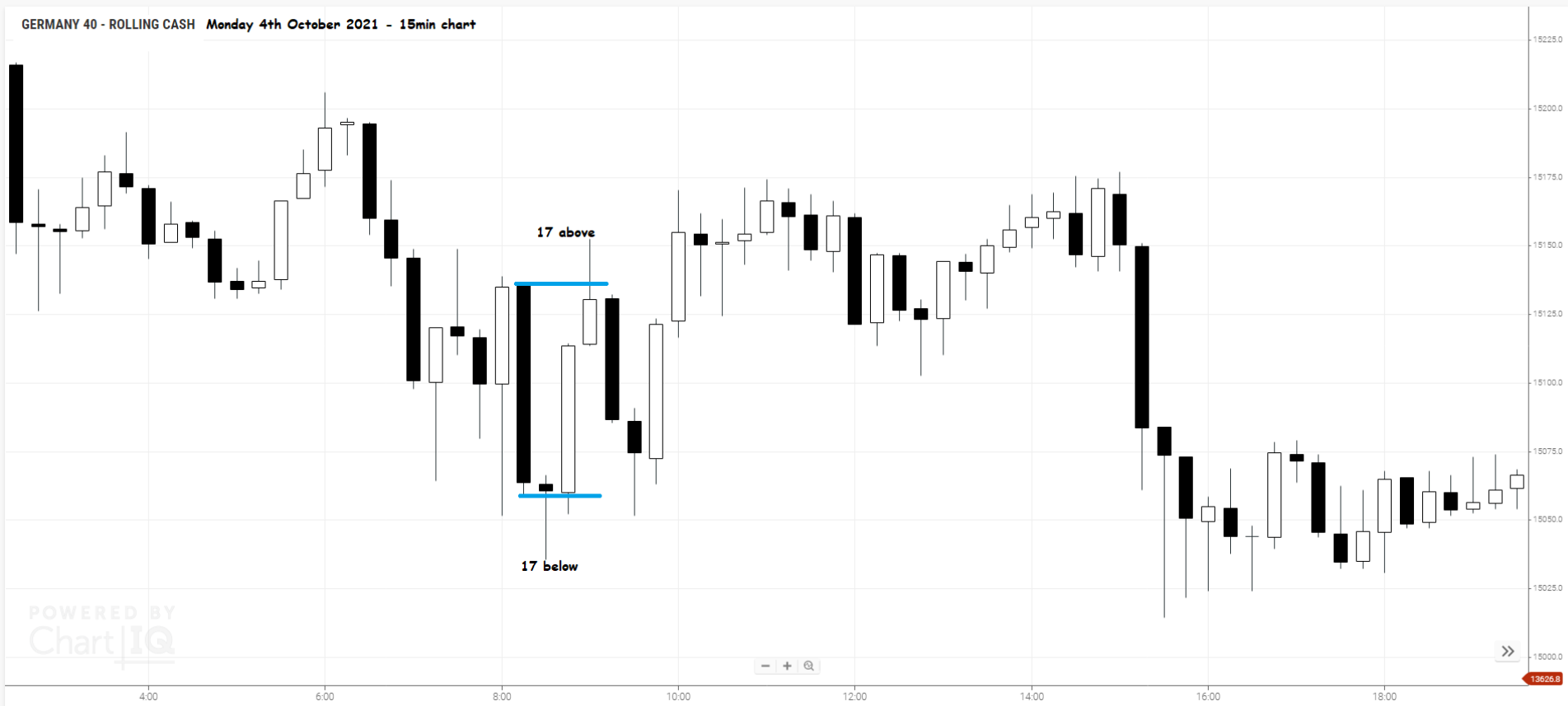
GERMANY 40 - ROLLING CASH
13626.8



GERMANY 40 - ROLLING CASH
13626.8



These are the kinds of trading days that has caused me to have no hair on my head 😊. While I am in profit, and I move my stop loss down, it is just such a difficult price action environment.



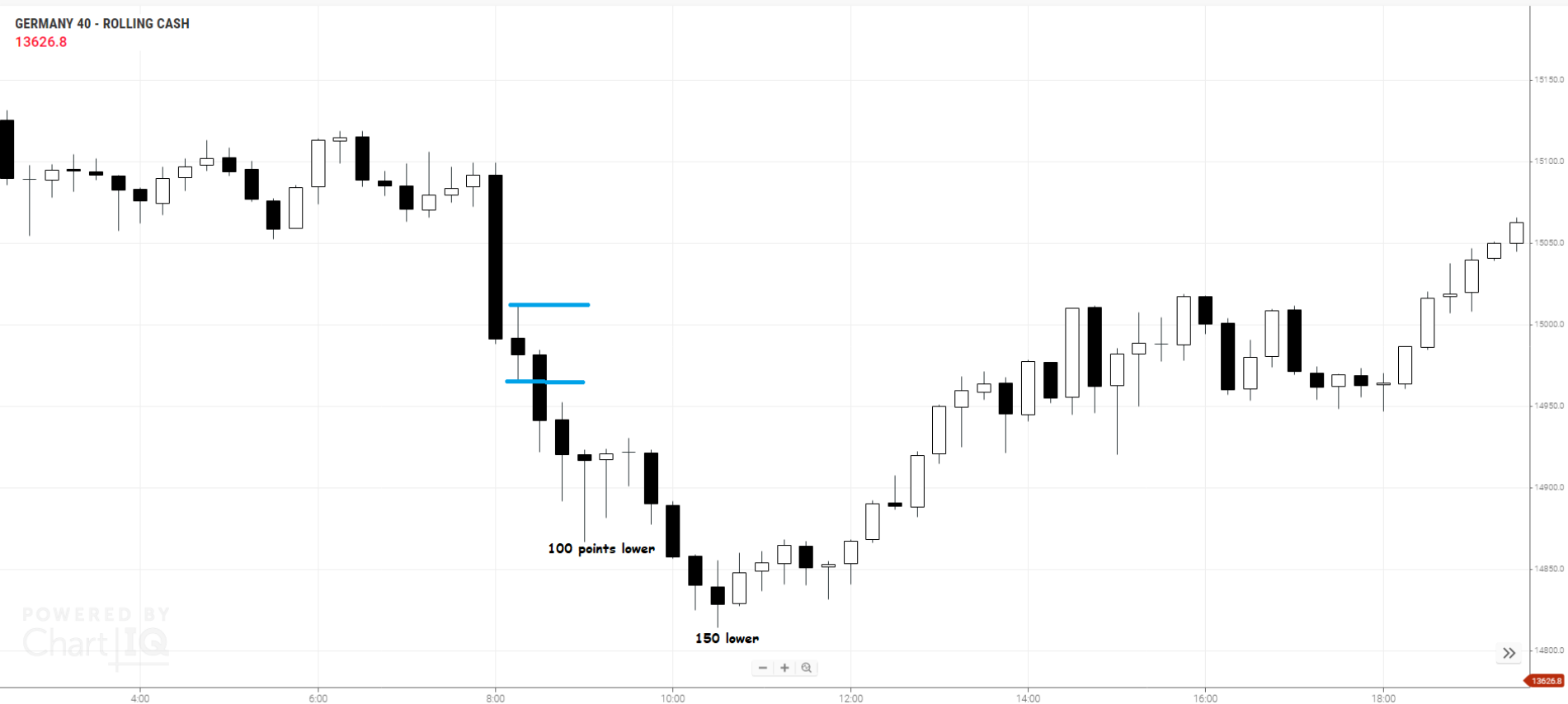
This is an example of being filled on both the short side and the long side.



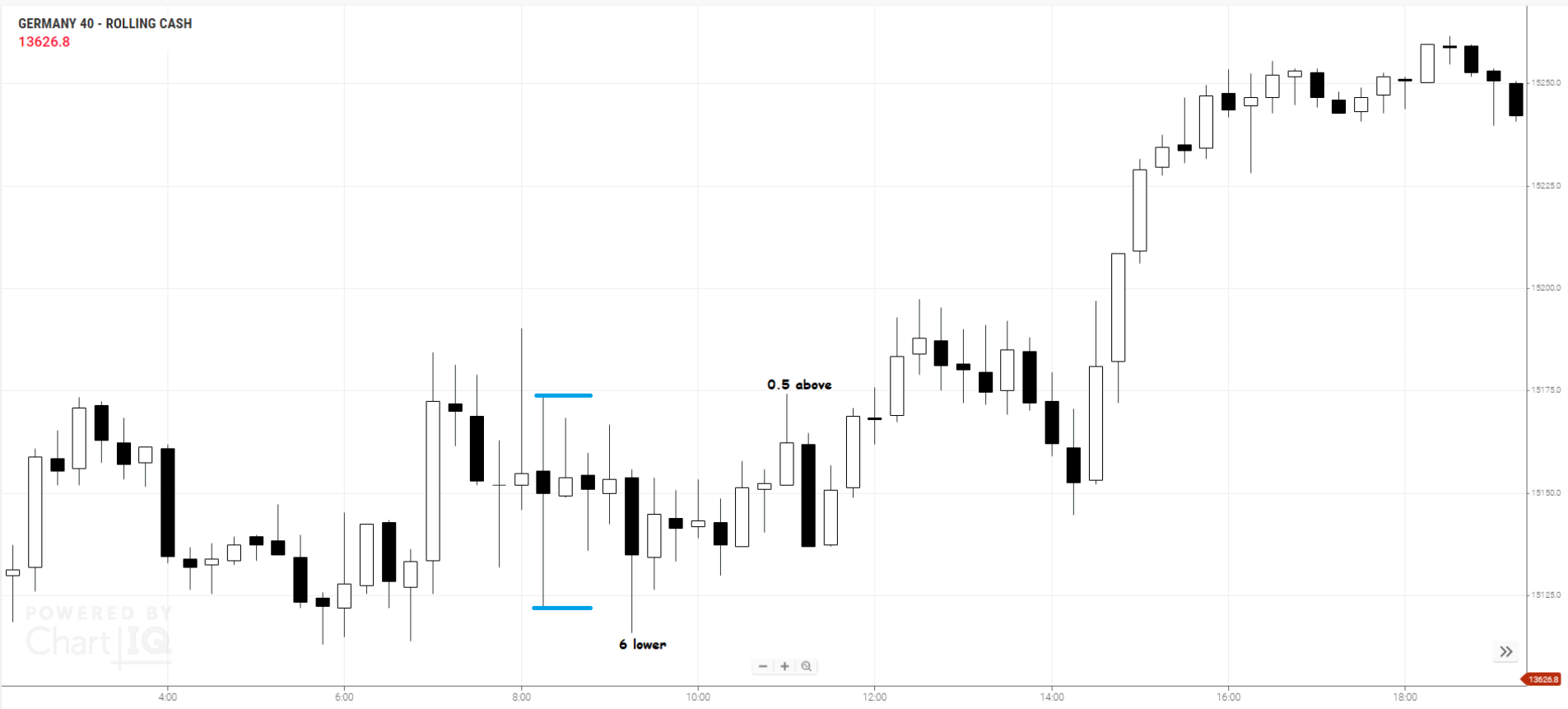
If only every day was like this!

GERMANY 40 - ROLLING CASH

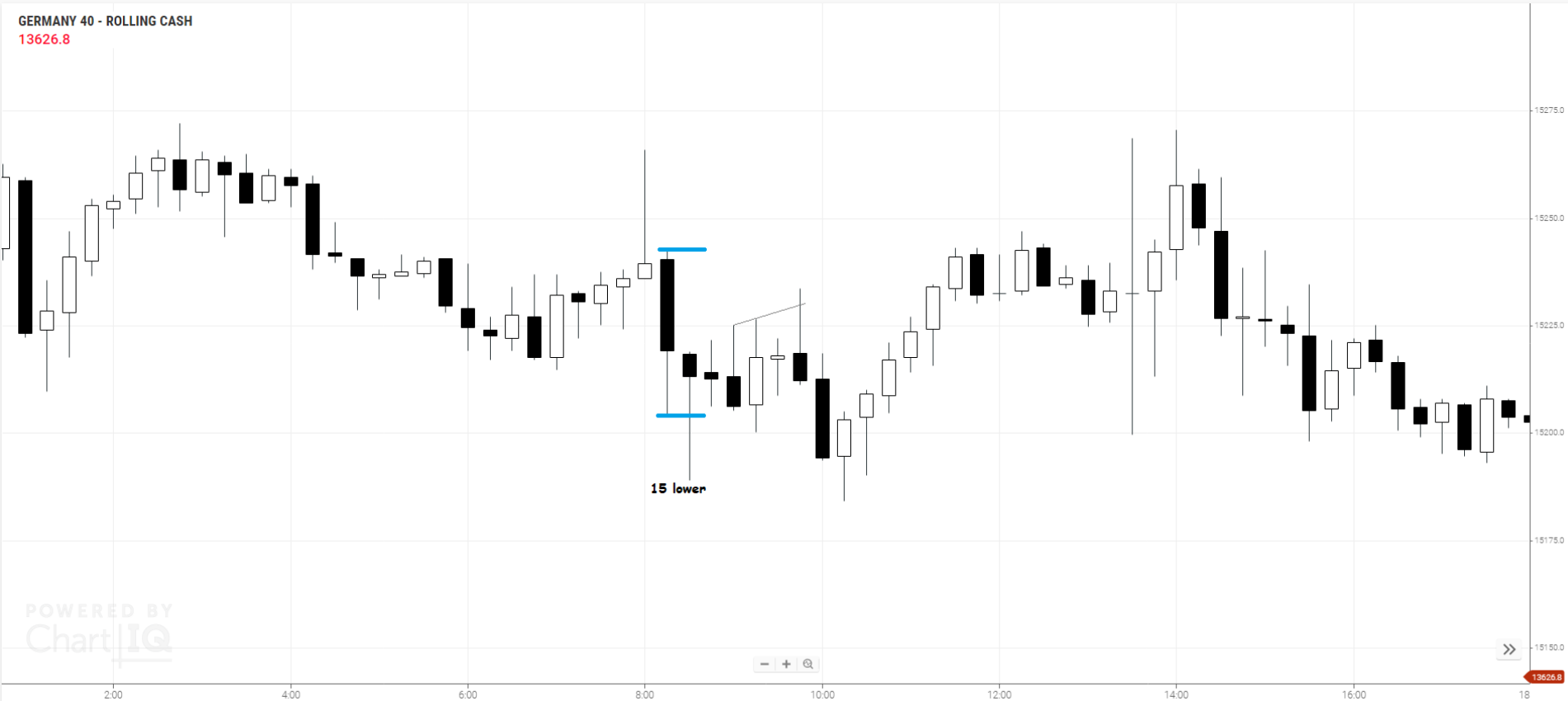
13626.8



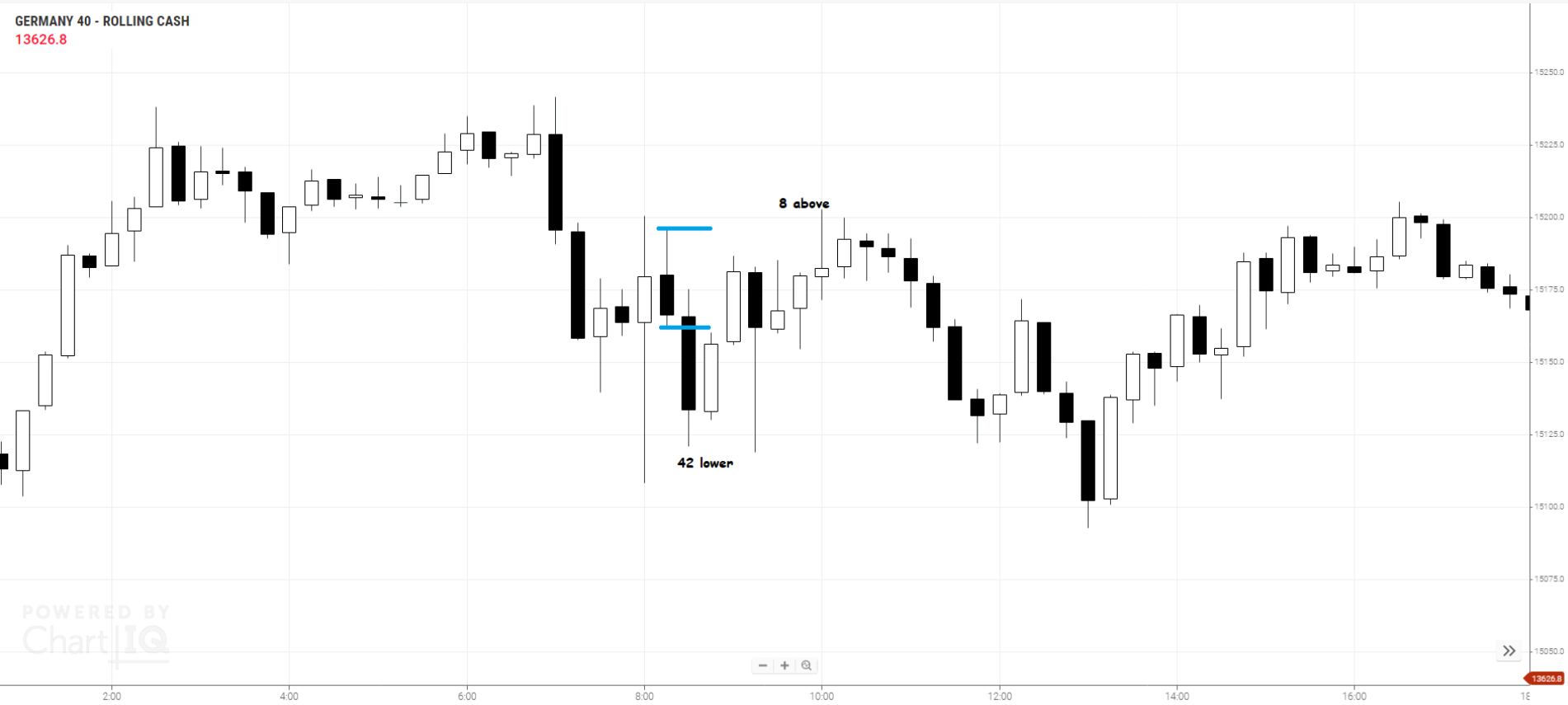
I have become very cautious when the signal bar is settling in the middle.



GERMANY 40 - ROLLING CASH
13626.8

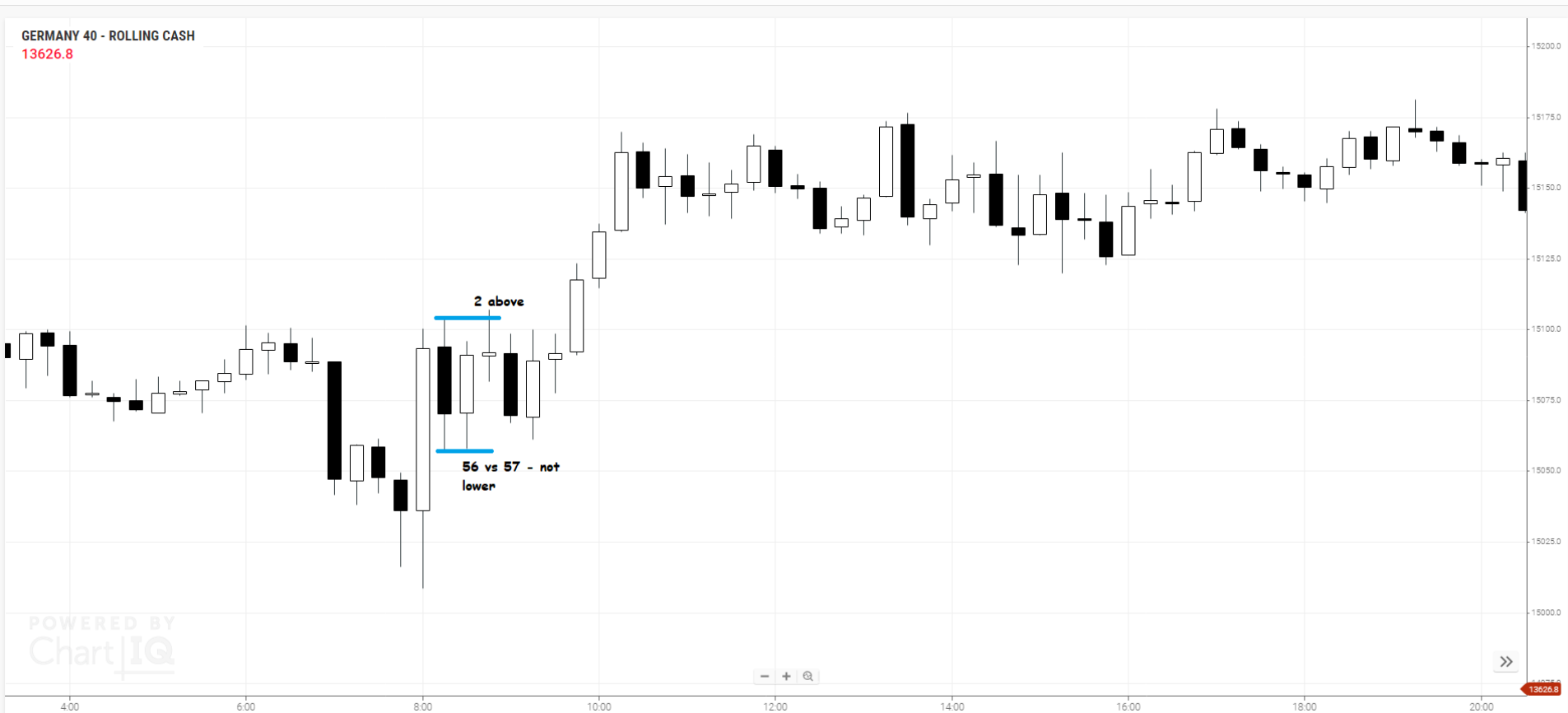


GERMANY 40 - ROLLING CASH
13626.8

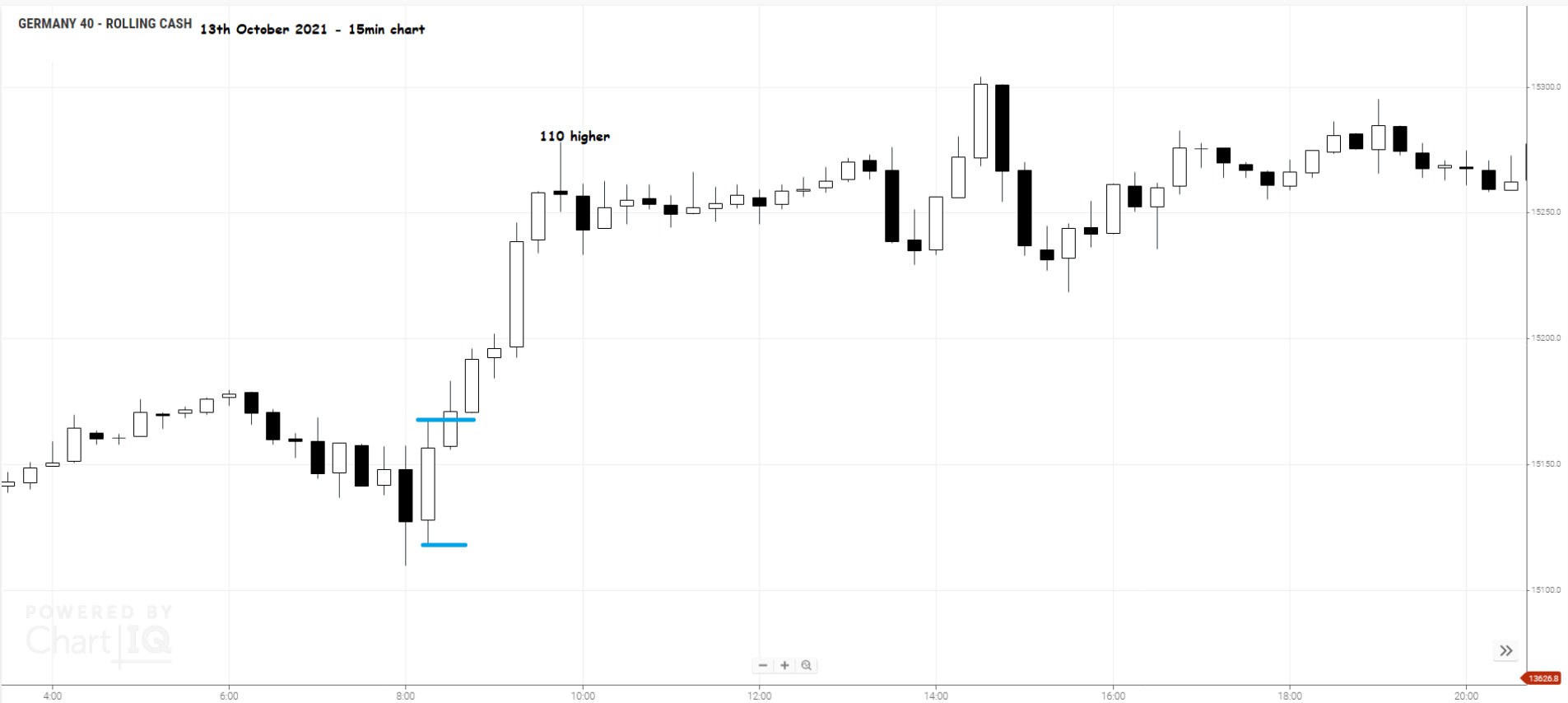


GERMANY 40 - ROLLING CASH

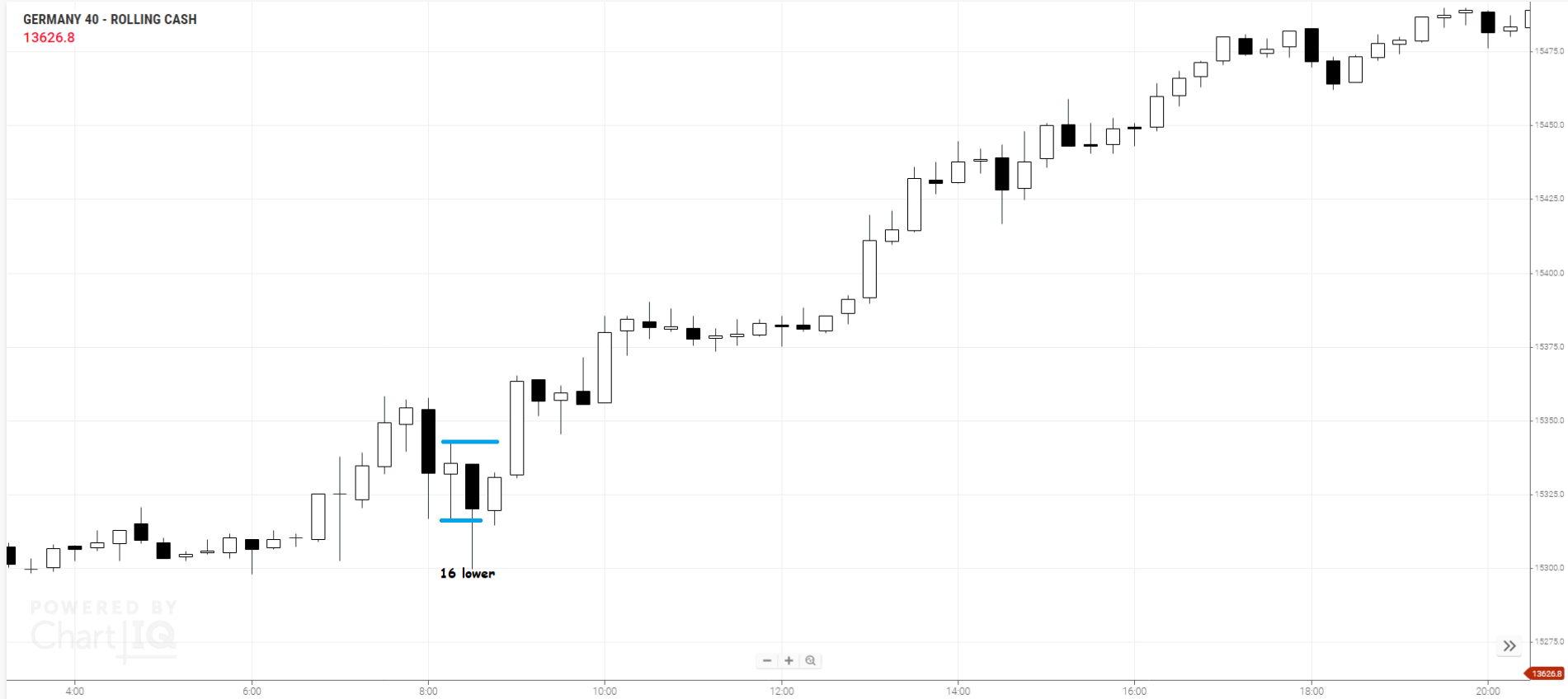
13626.8

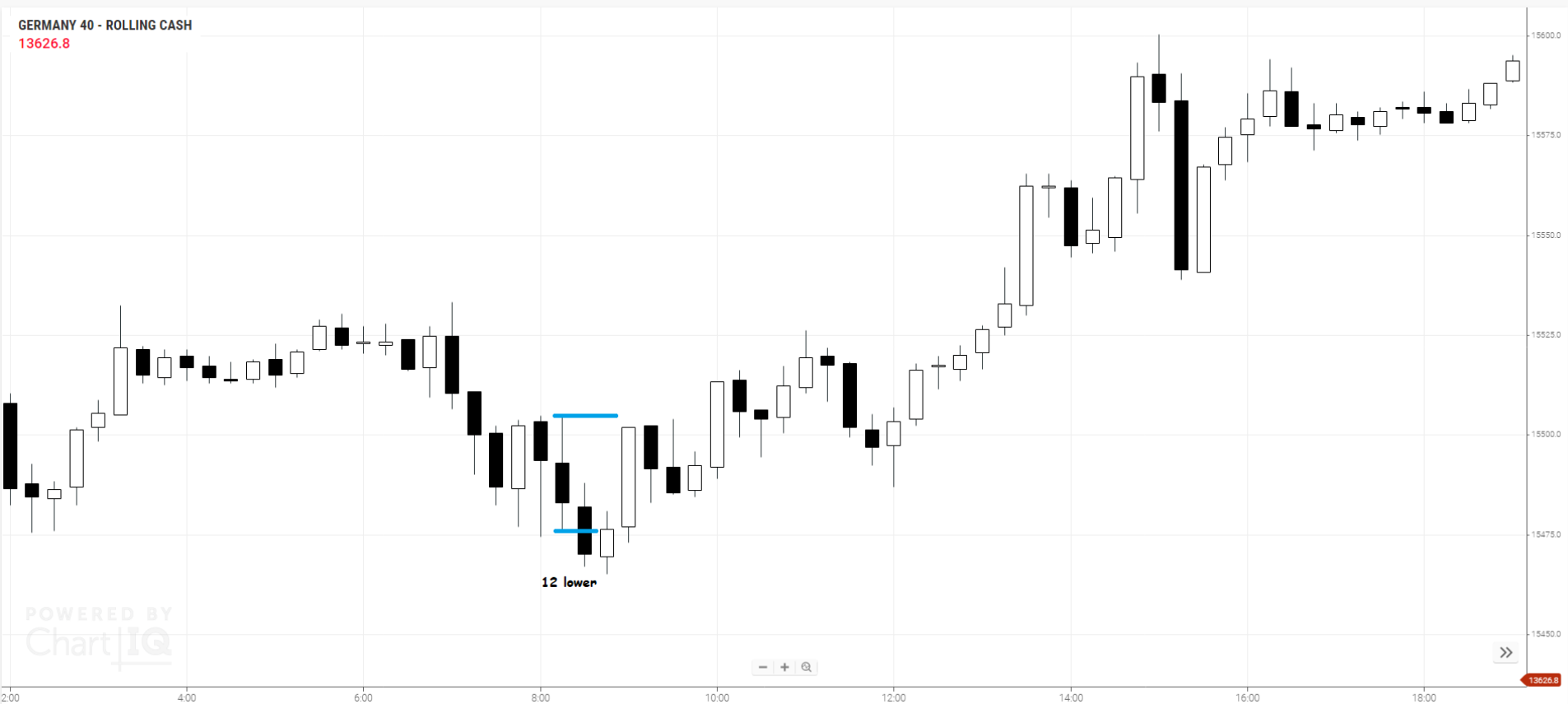


GERMANY 40 - ROLLING CASH 13th October 2021 - 15min chart



GERMANY 40 - ROLLING CASH
13626.8







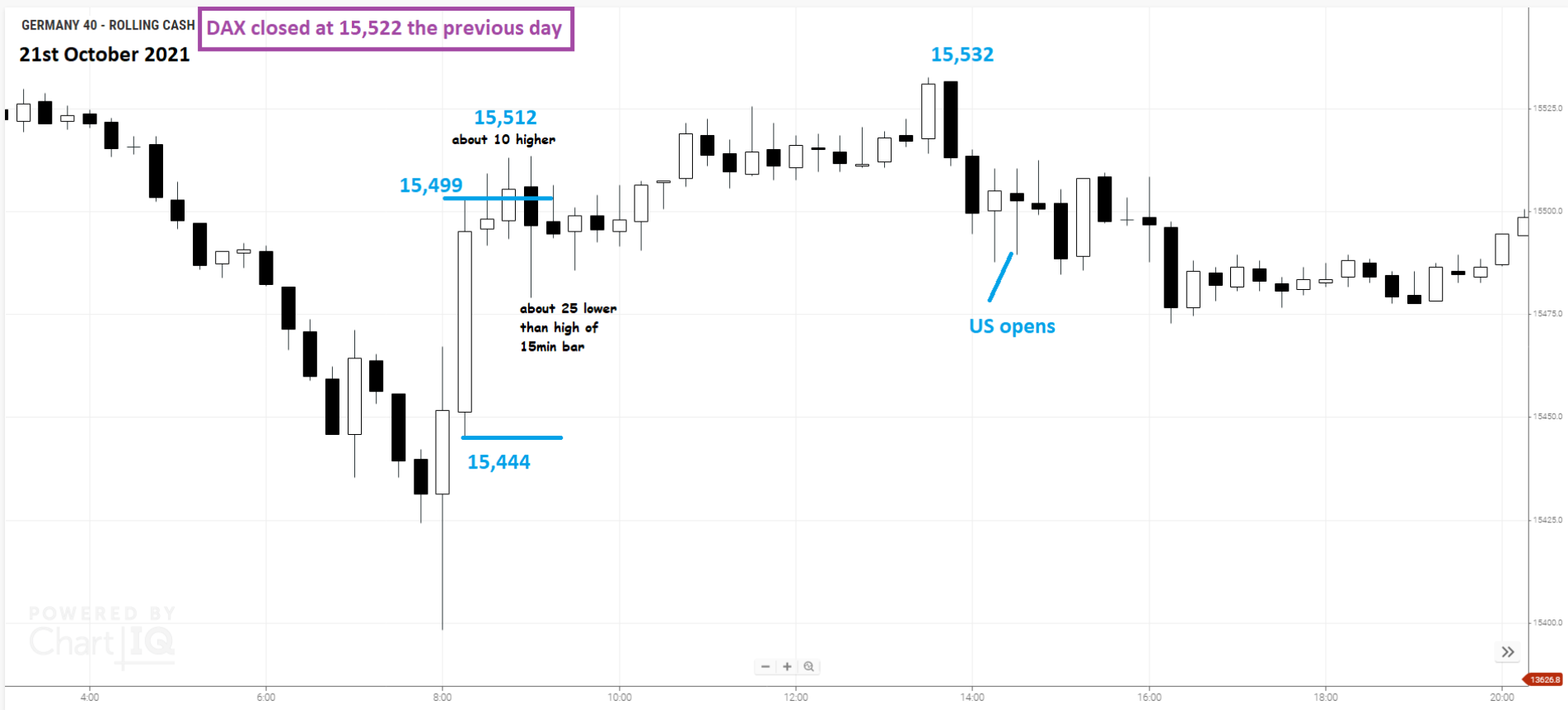
GERMANY 40 - ROLLING CASH 19 Oct 2021



GERMANY 40 - ROLLING CASH
13626.8

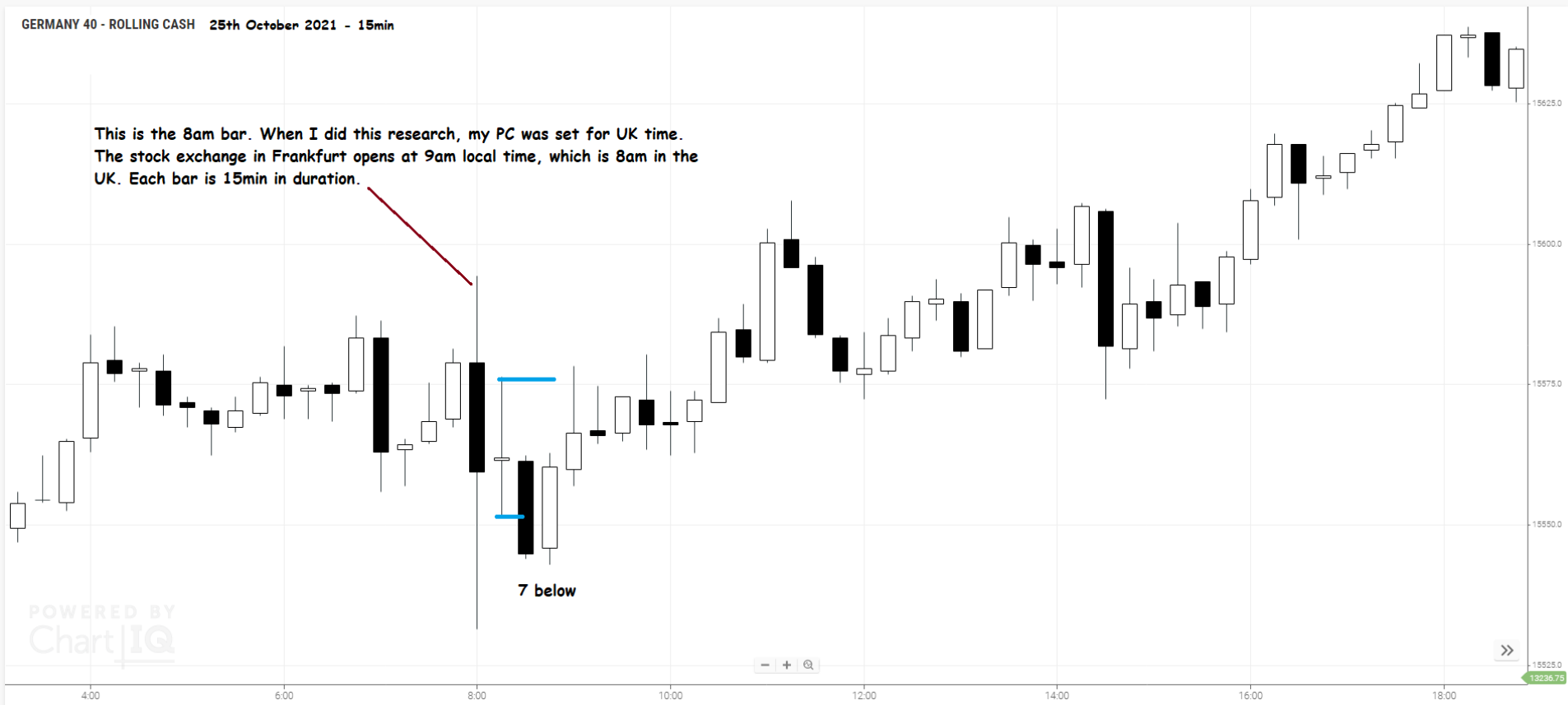


I began to make a note of where DAX closed the previous day – for the purpose of “gap up” or “gap down” analysis, and I also made a note of how the DAX reacted to the US open.

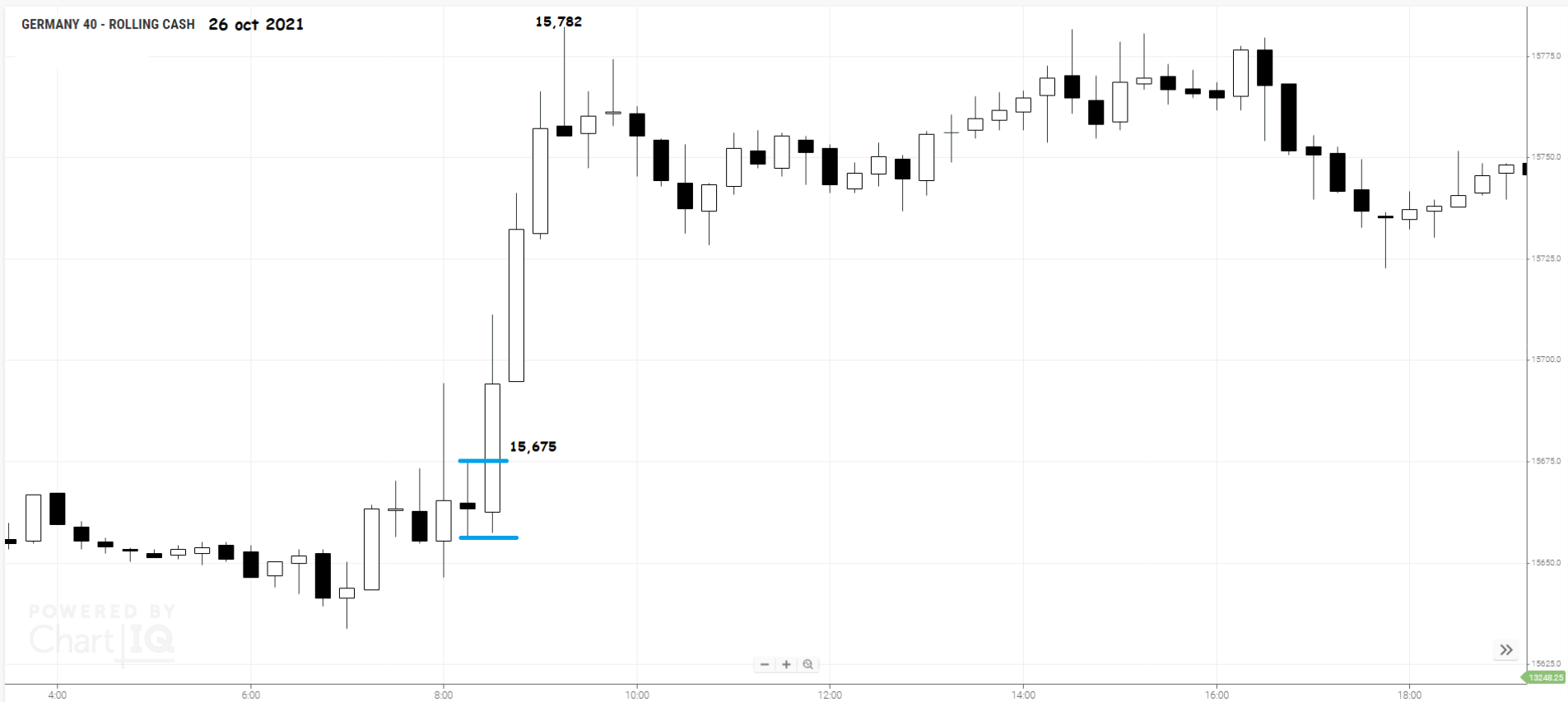


GERMANY 40 - ROLLING CASH 25th October 2021 - 15min

This is the 8am bar. When I did this research, my PC was set for UK time.
The stock exchange in Frankfurt opens at 9am local time, which is 8am in the
UK. Each bar is 15min in duration.



GERMANY 40 - ROLLING CASH 26 oct 2021



GERMANY 40 - ROLLING CASH

27 oct 2021 - 15min



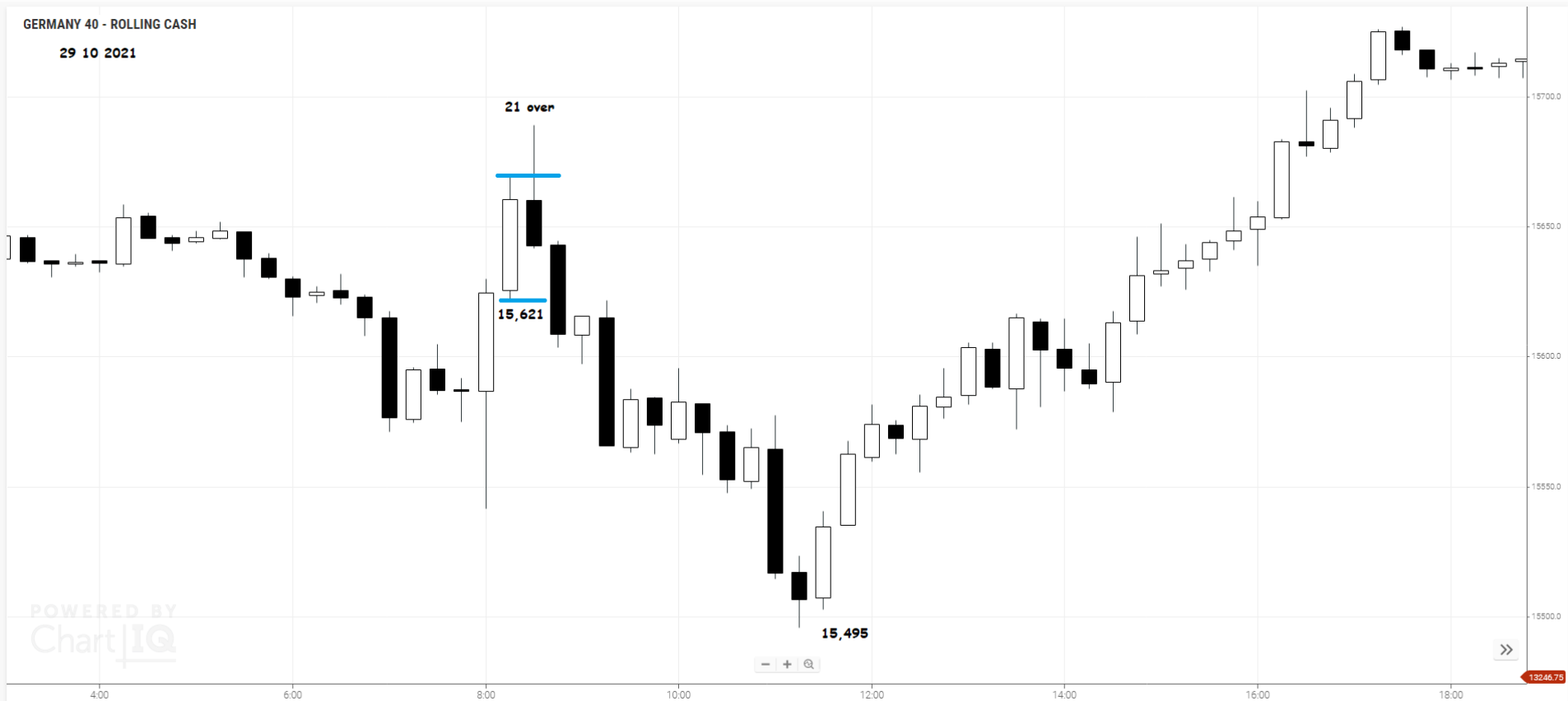


By now you should be able to see that this is not an easy strategy to trade. It will have amazing runs, and it will have runs where you can just about squeeze out a scalp trade profit.

I have no interest in just showing you the pretty examples. I want to show you warts and all. That is how you learn and how you will be able to make money from this approach.

GERMANY 40 - ROLLING CASH

29 10 2021



GERMANY 40 - ROLLING CASH

1st Nov 2021 - 15min



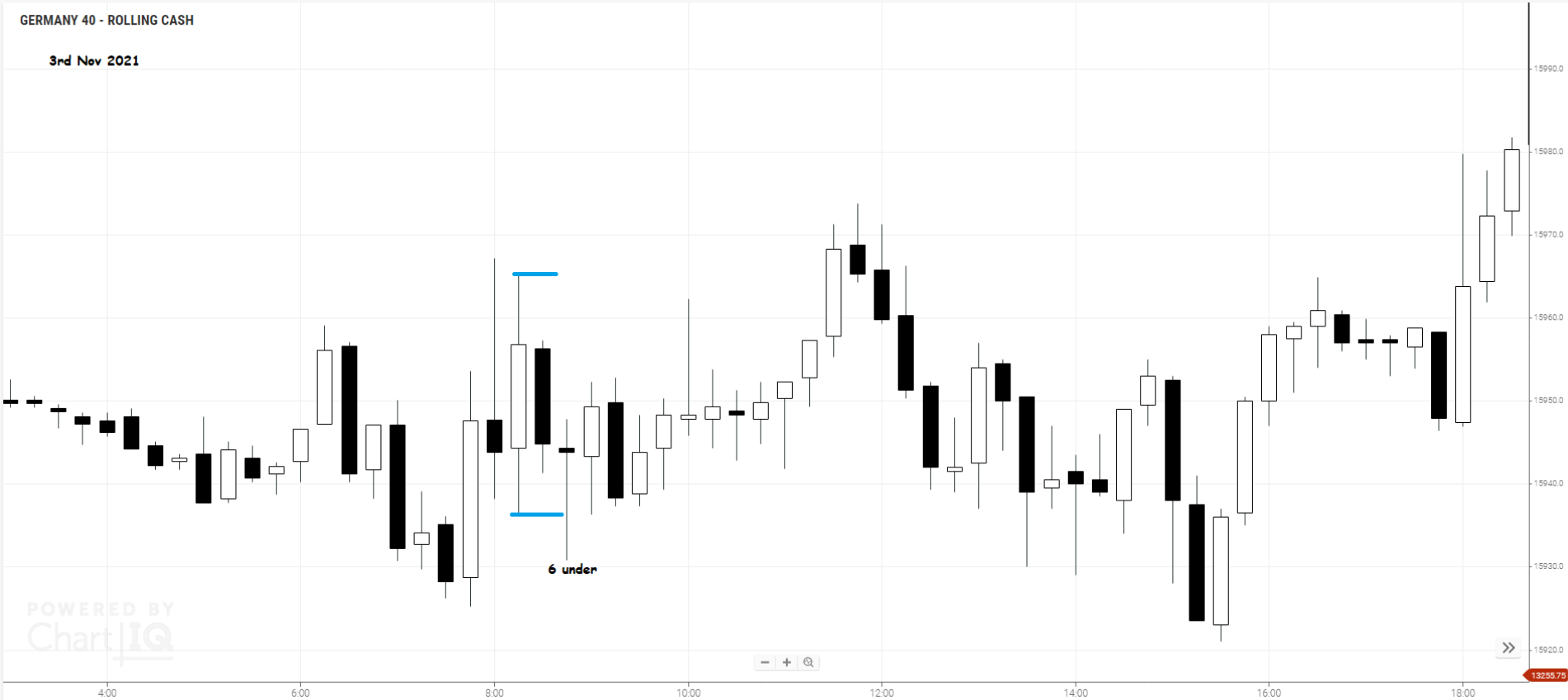
GERMANY 40 - ROLLING CASH

2nd Nov 2021 - 15min



GERMANY 40 - ROLLING CASH

3rd Nov 2021



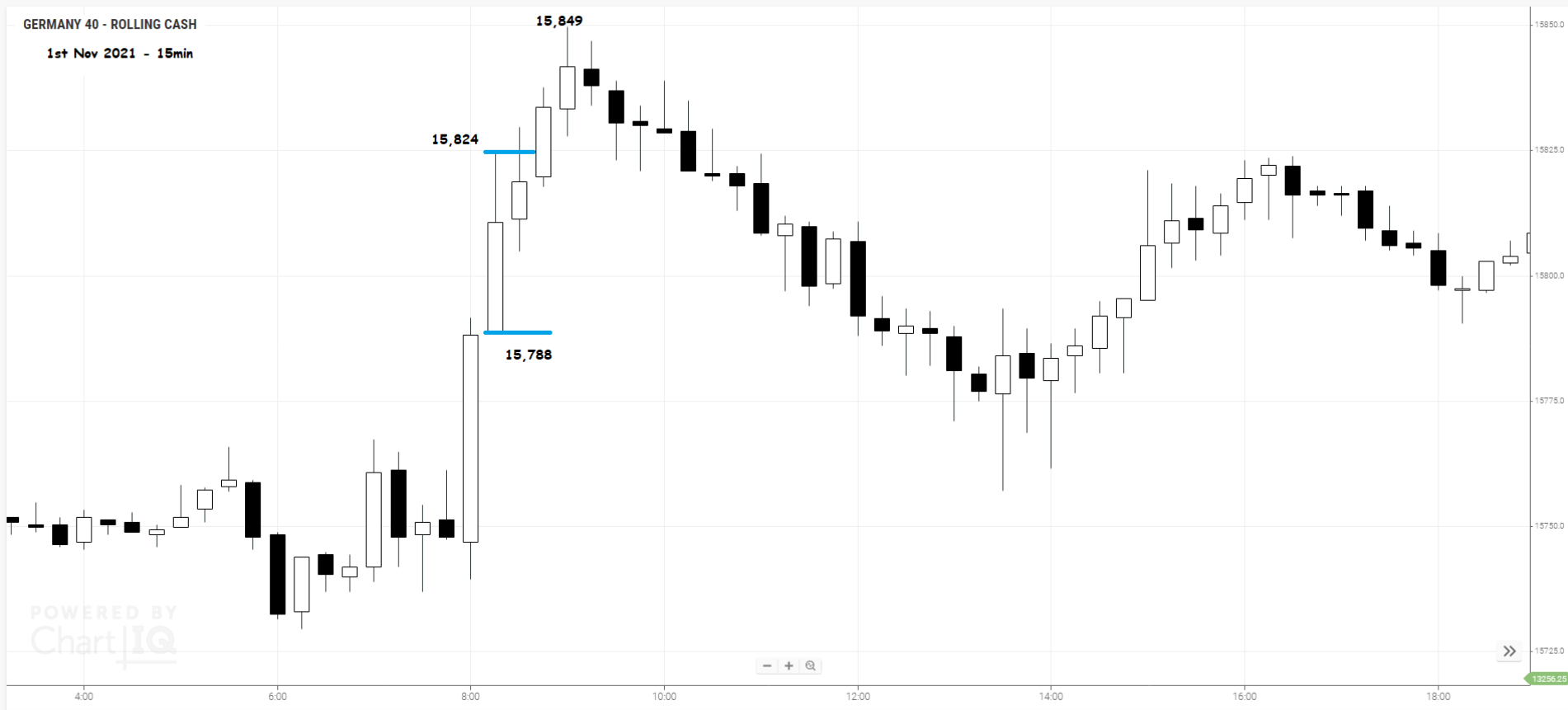
GERMANY 40 - ROLLING CASH

2nd Nov 2021 - 15min



GERMANY 40 - ROLLING CASH

1st Nov 2021 - 15min



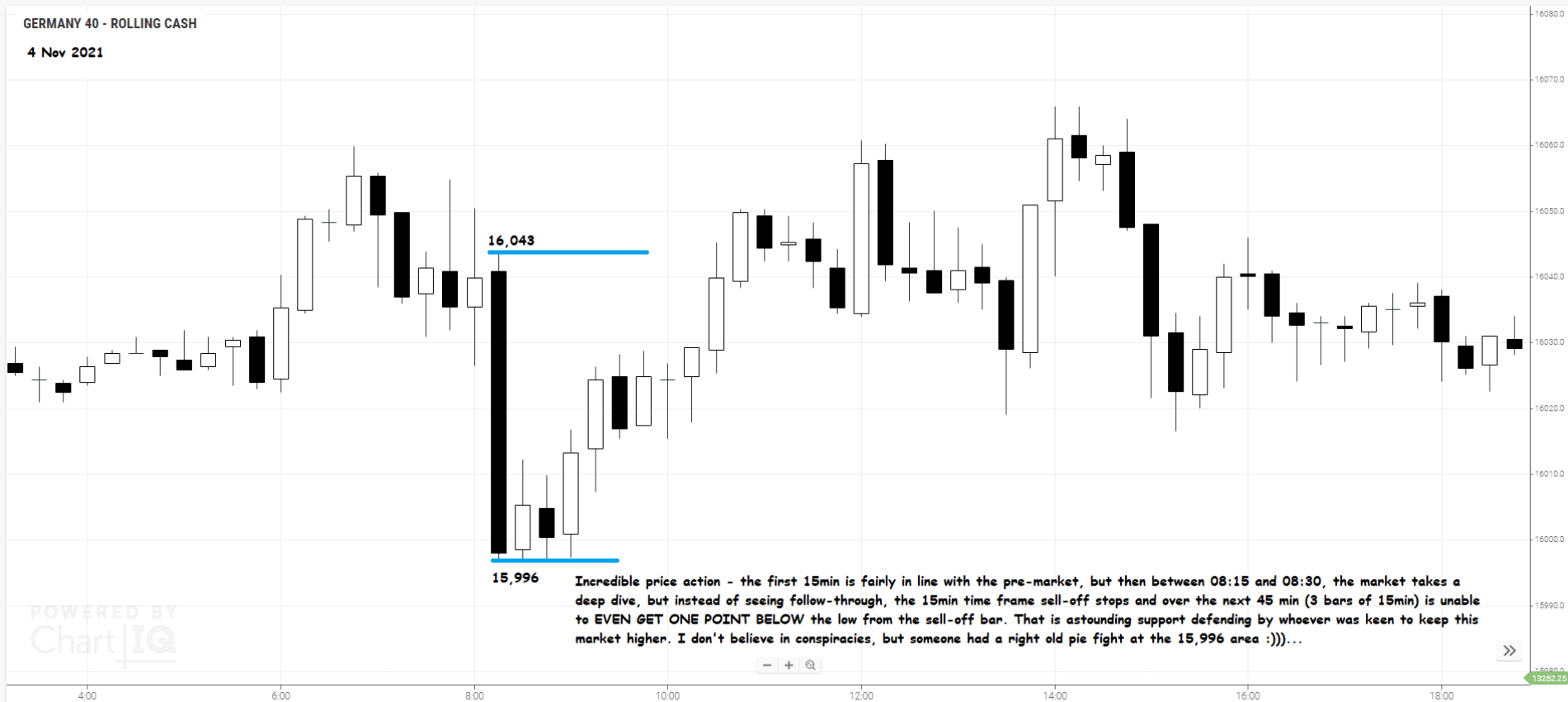
GERMANY 40 - ROLLING CASH

2nd Nov 2021 - 15min



GERMANY 40 - ROLLING CASH

4 Nov 2021



GERMANY 40 - ROLLING CASH

5 November 2021 - DAX 15min chart



GERMANY 40 - ROLLING CASH

8th November 2021 - Dax 15min chart



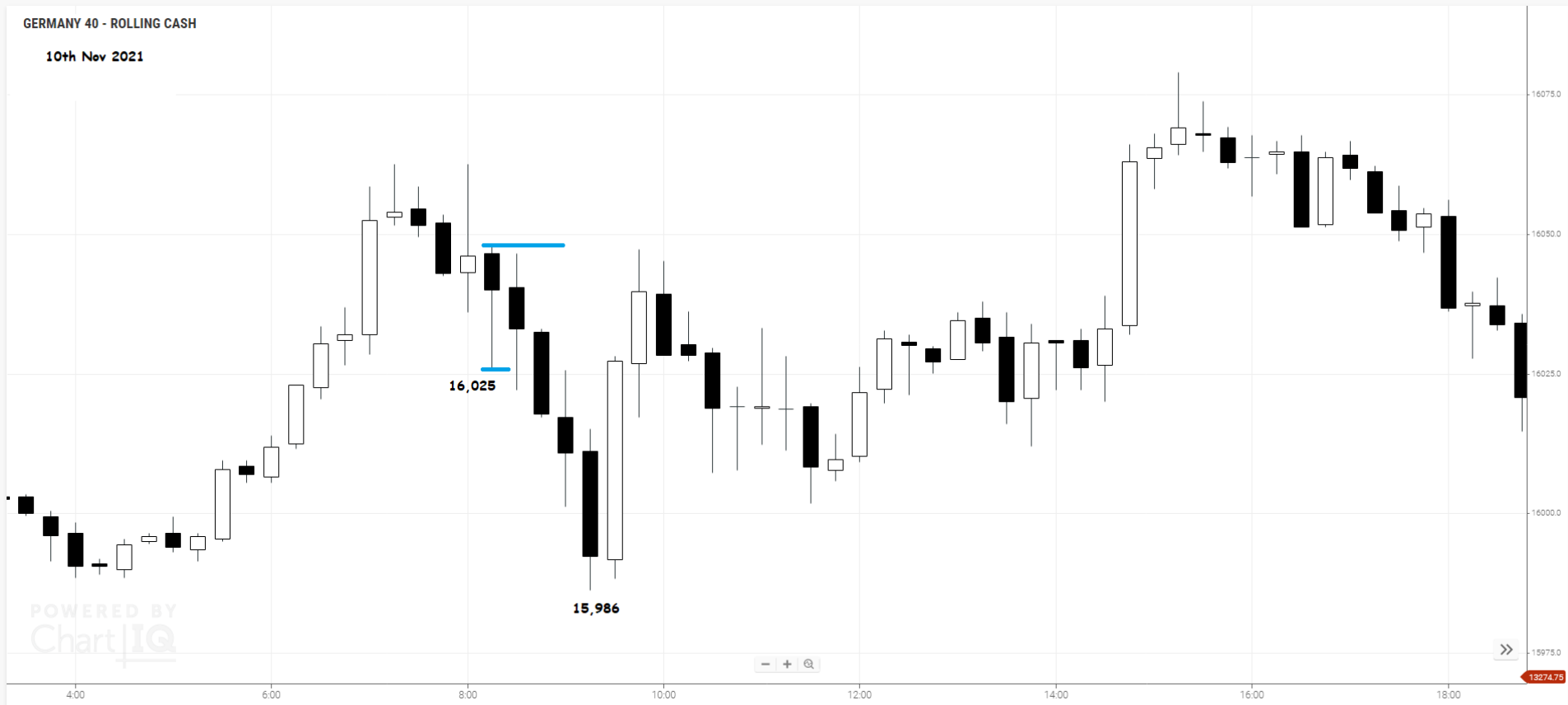
GERMANY 40 - ROLLING CASH

9th Nov 2021



GERMANY 40 - ROLLING CASH

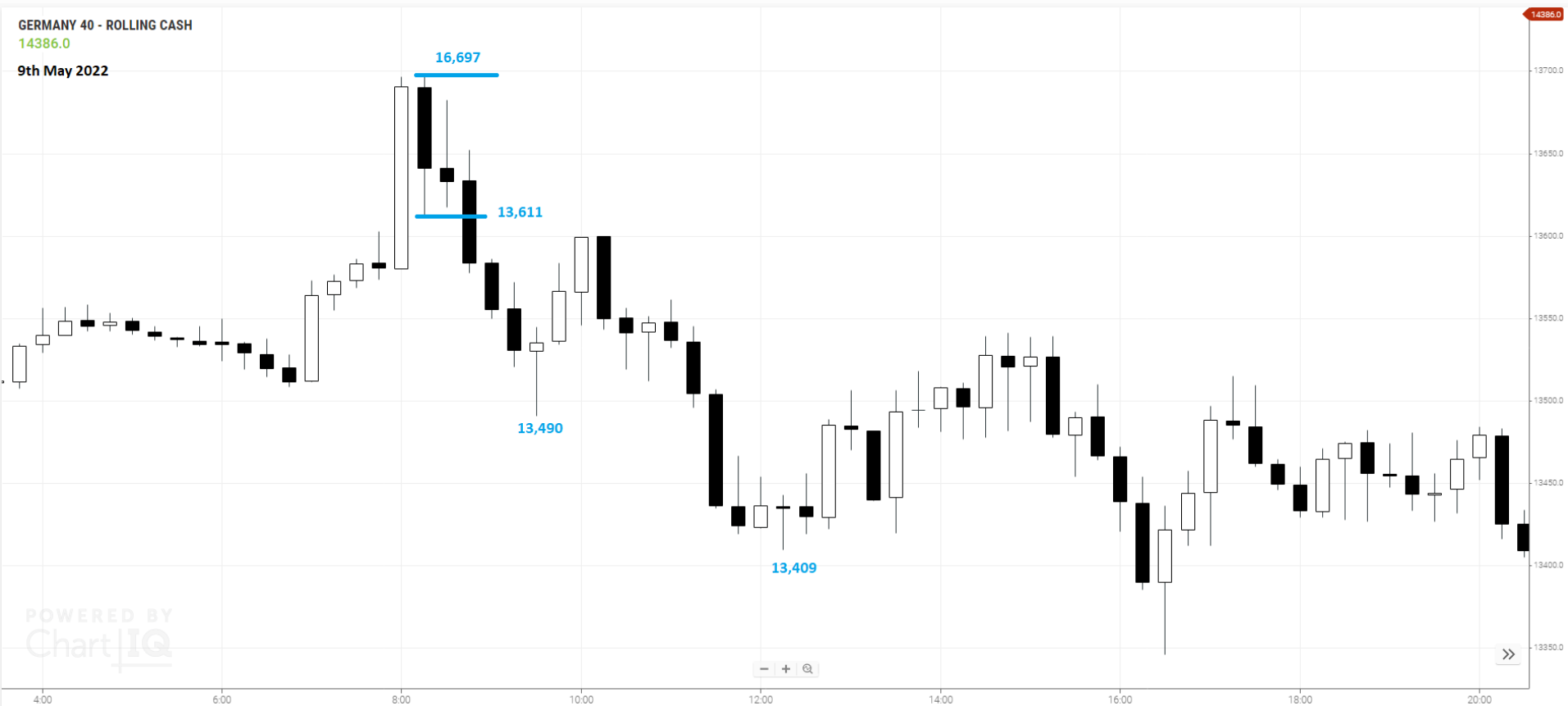
10th Nov 2021



GERMANY 40 - ROLLING CASH

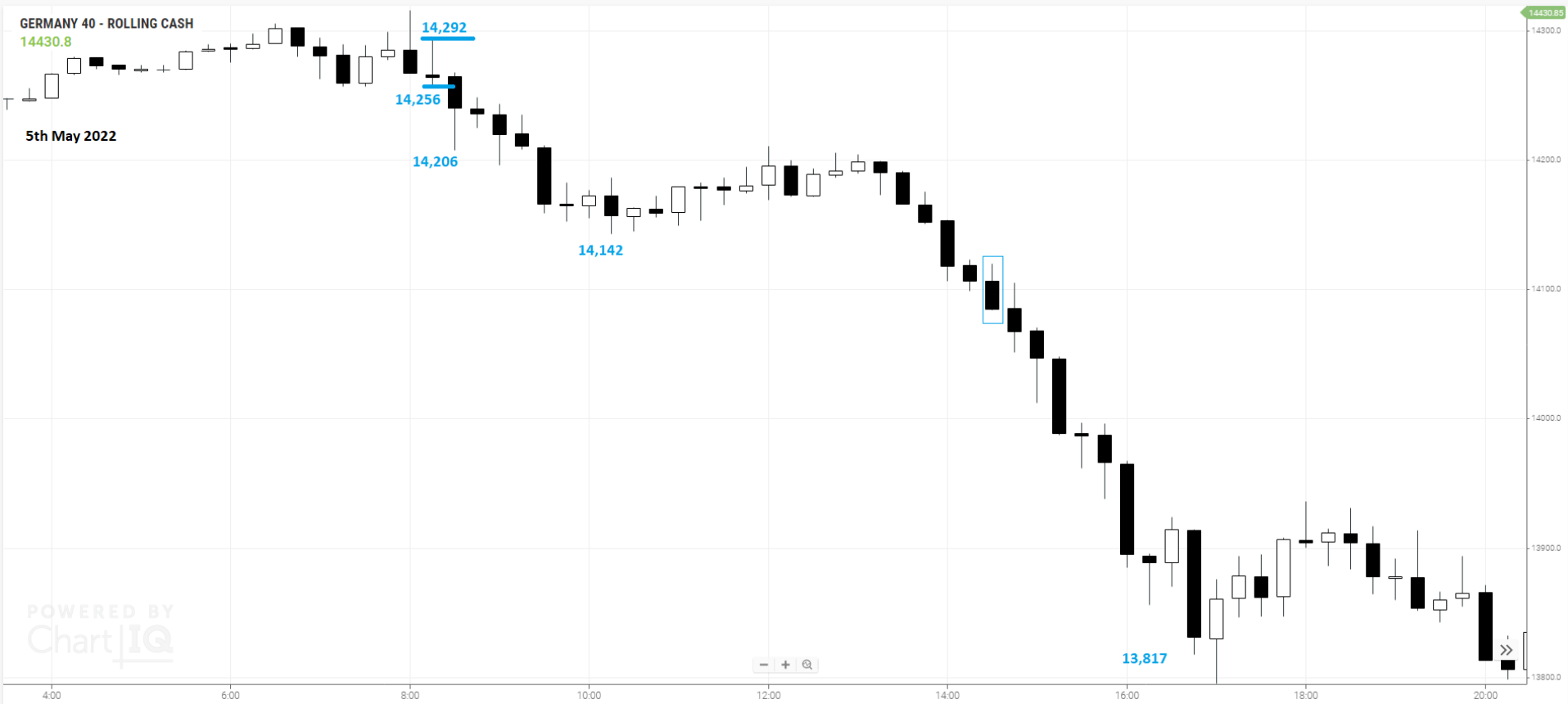
14386.0

9th May 2022



GERMANY 40 - ROLLING CASH
14426.8
6th May 2022



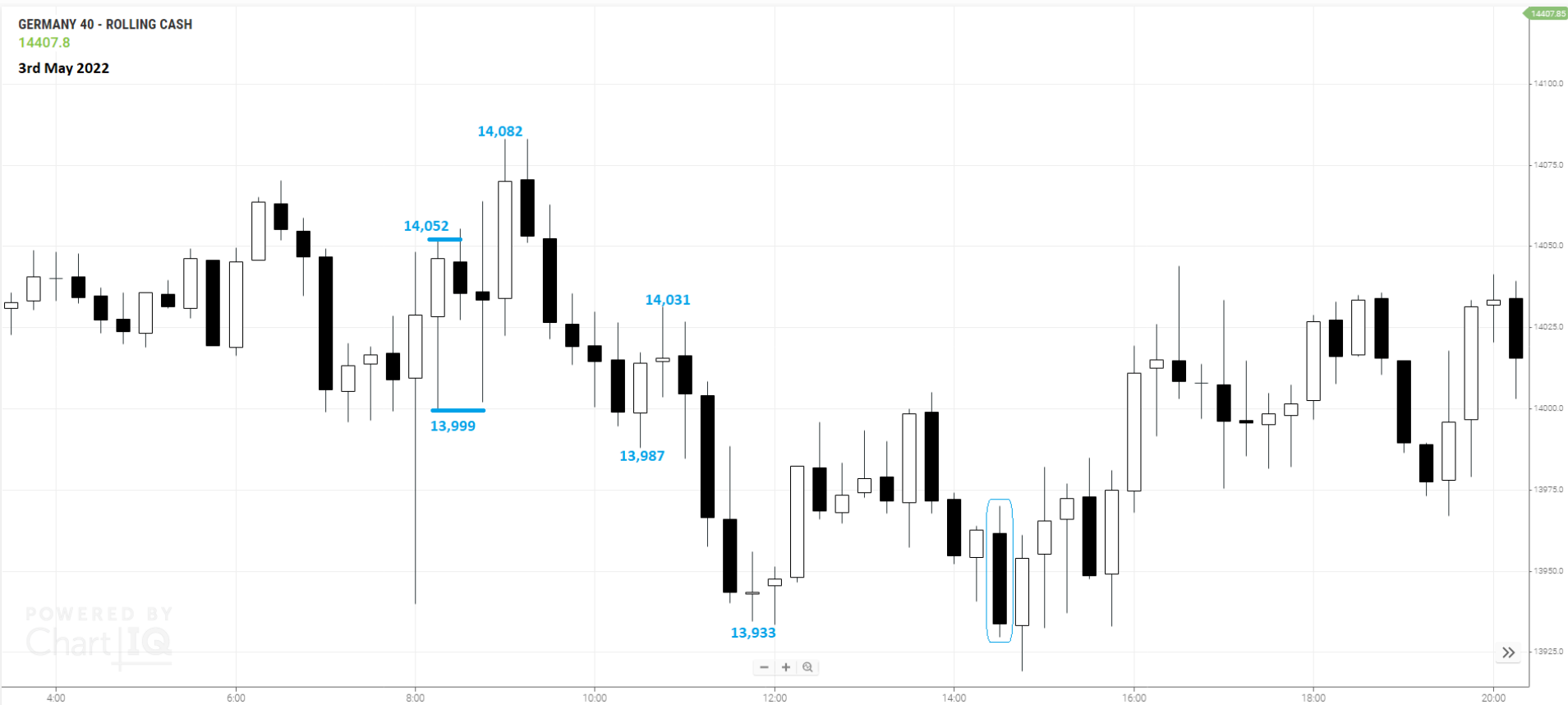


GERMANY 40 - ROLLING CASH

14410.8

4th May 2022

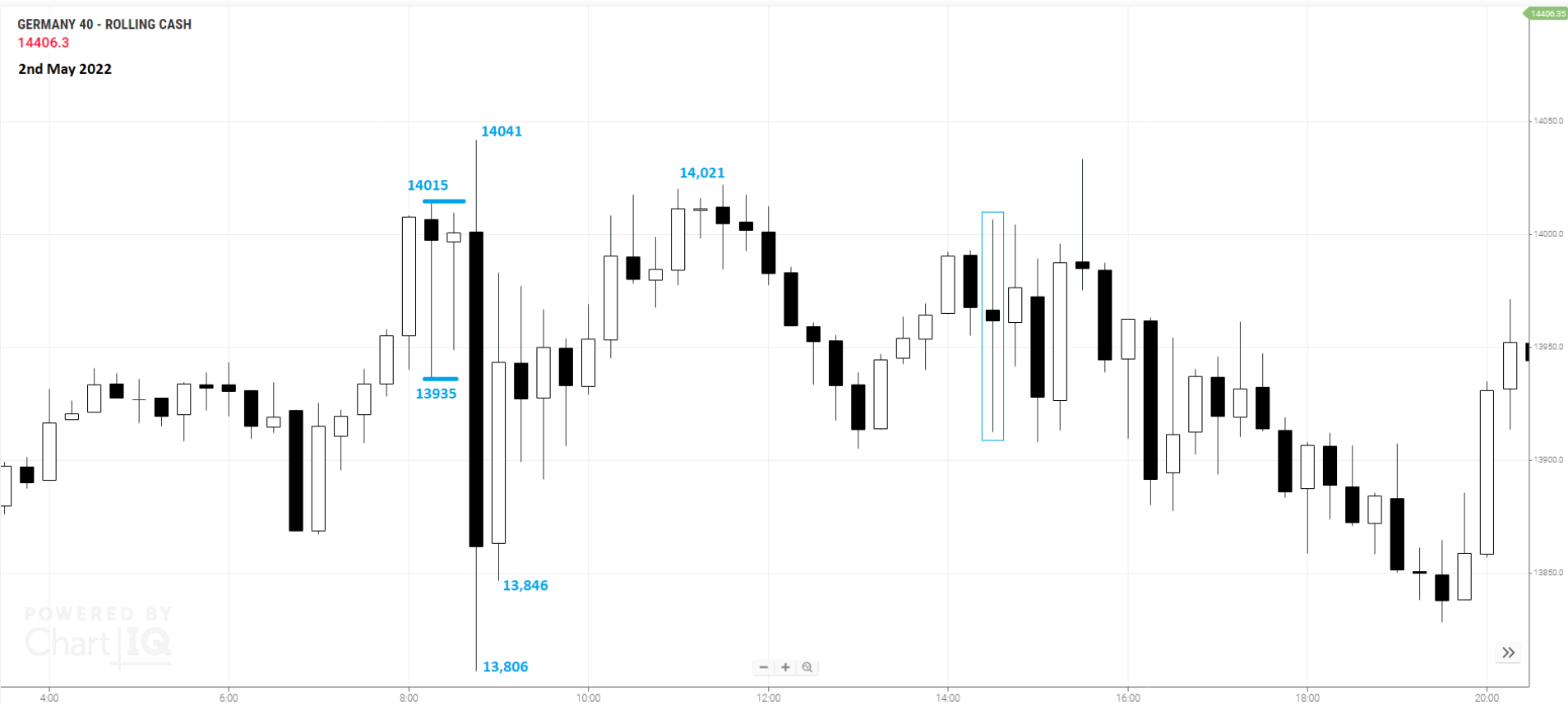


GERMANY 40 - ROLLING CASH
14407.8
3rd May 2022


GERMANY 40 - ROLLING CASH

14406.3

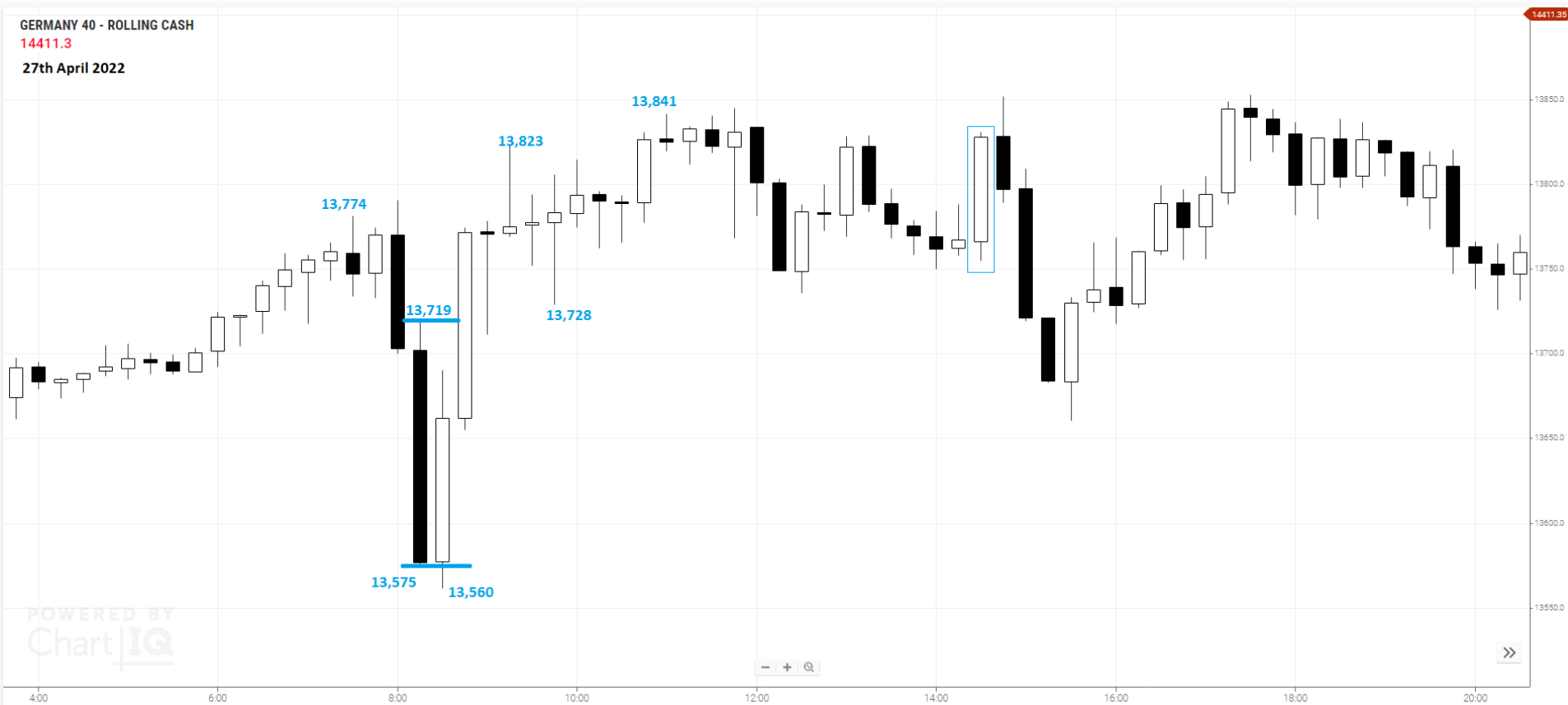
2nd May 2022



GERMANY 40 - ROLLING CASH
14394.8
29th April 2022

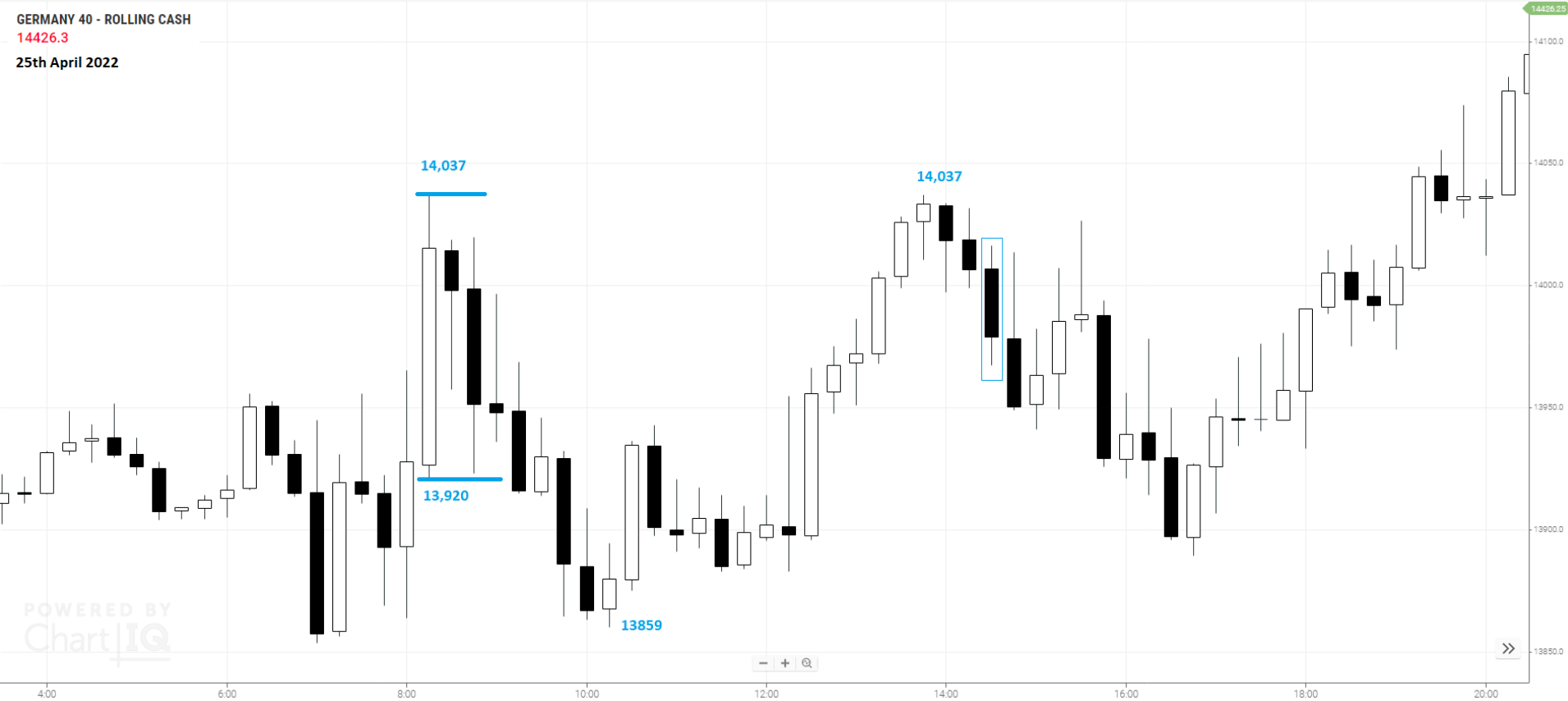


GERMANY 40 - ROLLING CASH
14403.8
28th April 2022


GERMANY 40 - ROLLING CASH
14411.3
27th April 2022




GERMANY 40 - ROLLING CASH
14426.3
25th April 2022

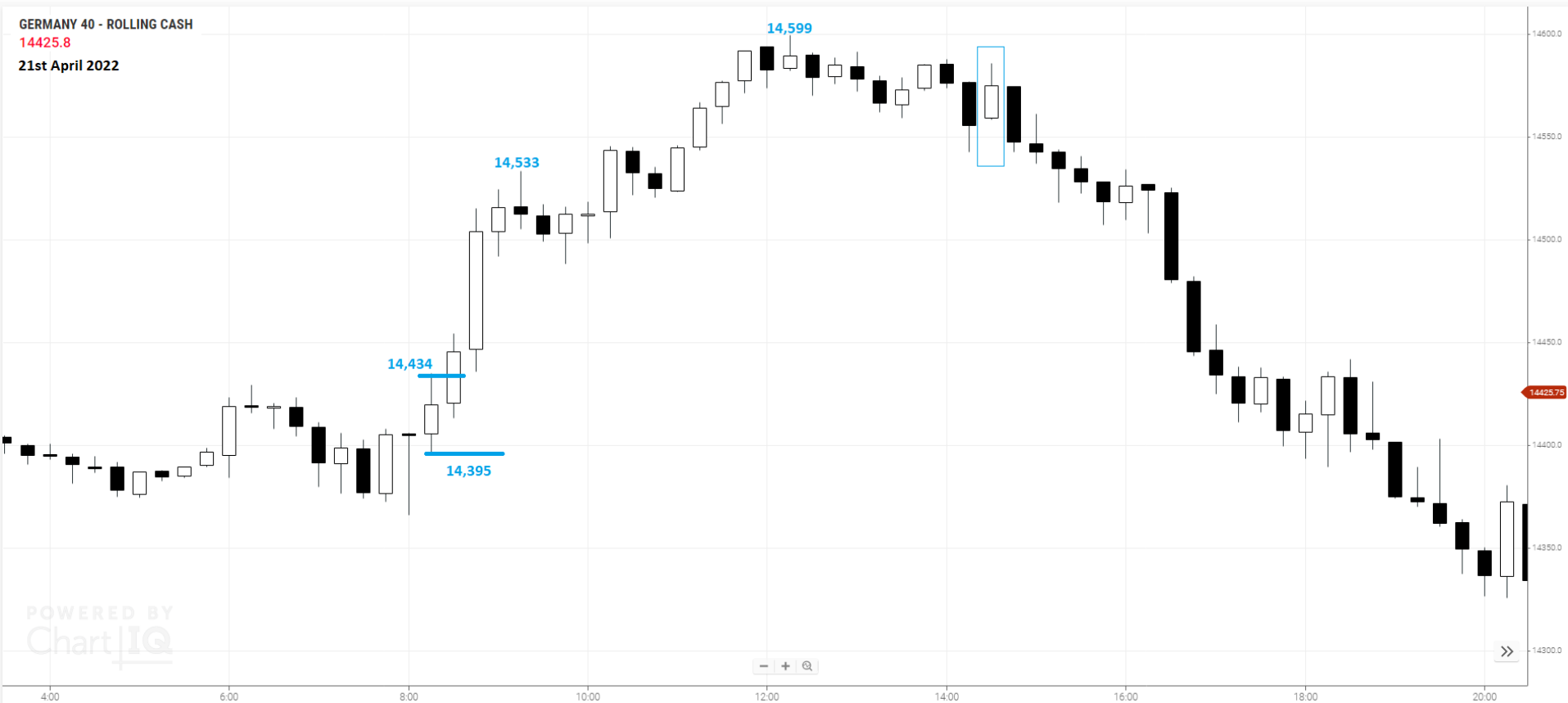




GERMANY 40 - ROLLING CASH

14425.8

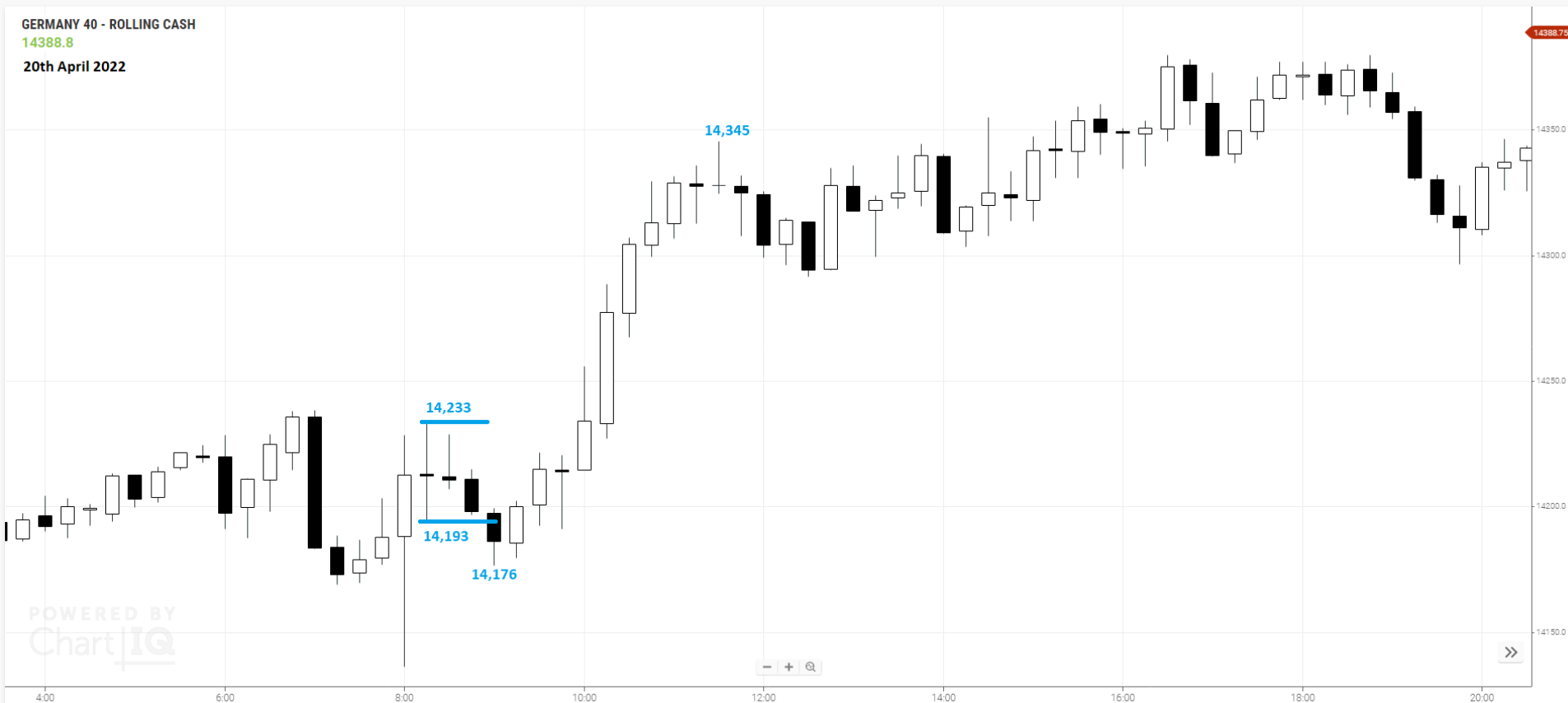
21st April 2022



GERMANY 40 - ROLLING CASH

14388.8

20th April 2022



GERMANY 40 - ROLLING CASH
14381.3
19th April 2022



GERMANY 40 - ROLLING CASH
14392.3

14th April 2022



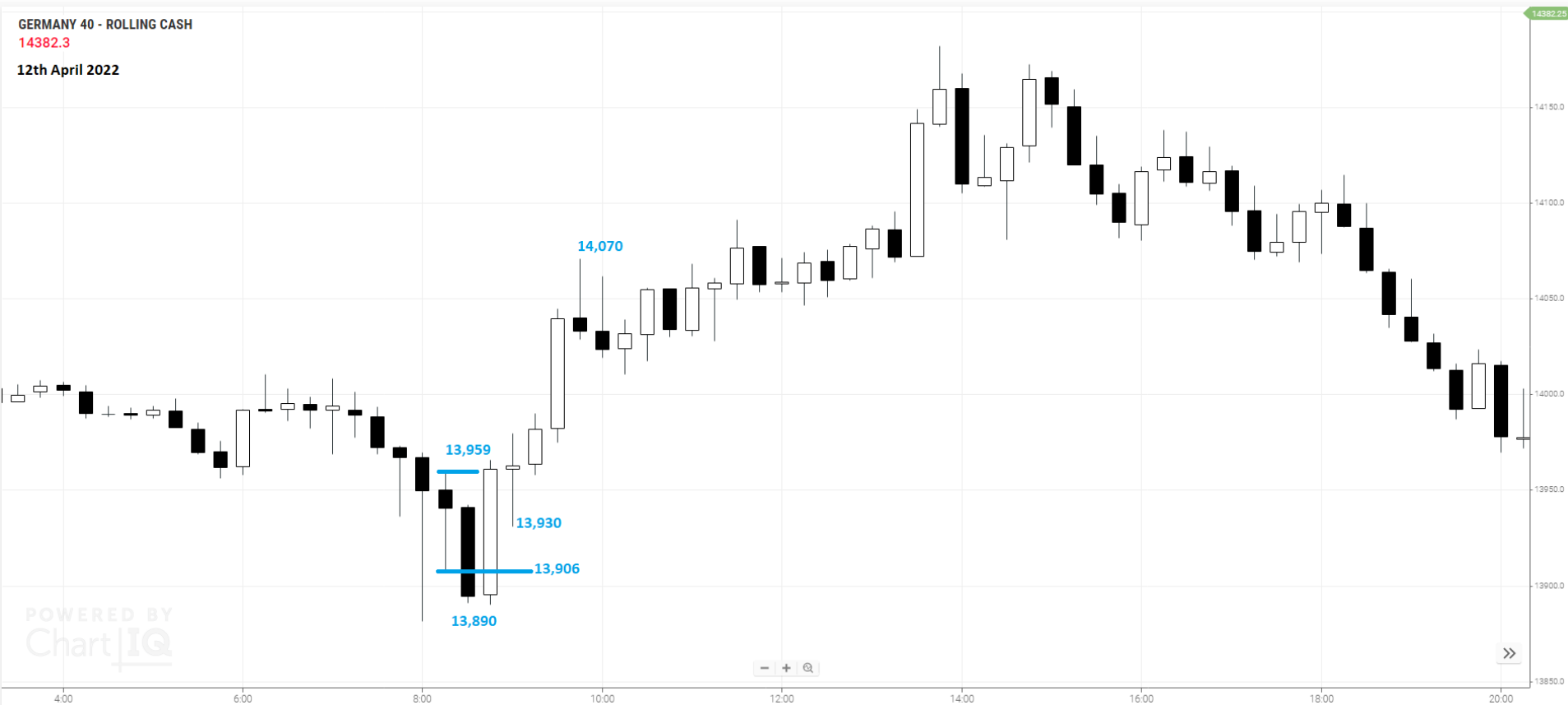
GERMANY 40 - ROLLING CASH
14385.3
13th April 2022



GERMANY 40 - ROLLING CASH

14382.3

12th April 2022



GERMANY 40 - ROLLING CASH
14383.8

11th April 2022



GERMANY 40 - ROLLING CASH

14382.8

8th April 2022





GERMANY 40 - ROLLING CASH
14387.3

6th April 2022



GERMANY 40 - ROLLING CASH

14261.3

5th April 2022



GERMANY 40 - ROLLING CASH

14262.3

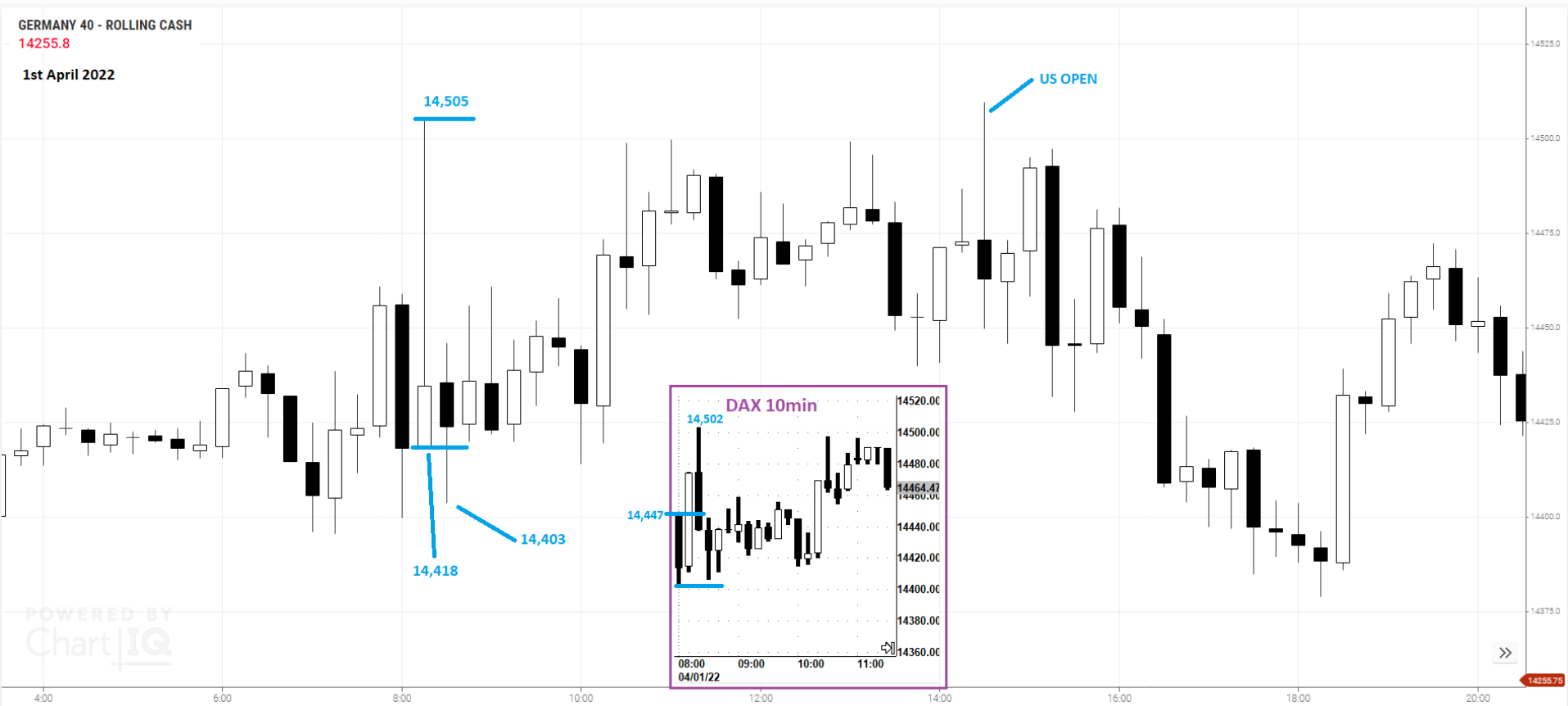
4th April 2022



GERMANY 40 - ROLLING CASH

14255.8

1st April 2022

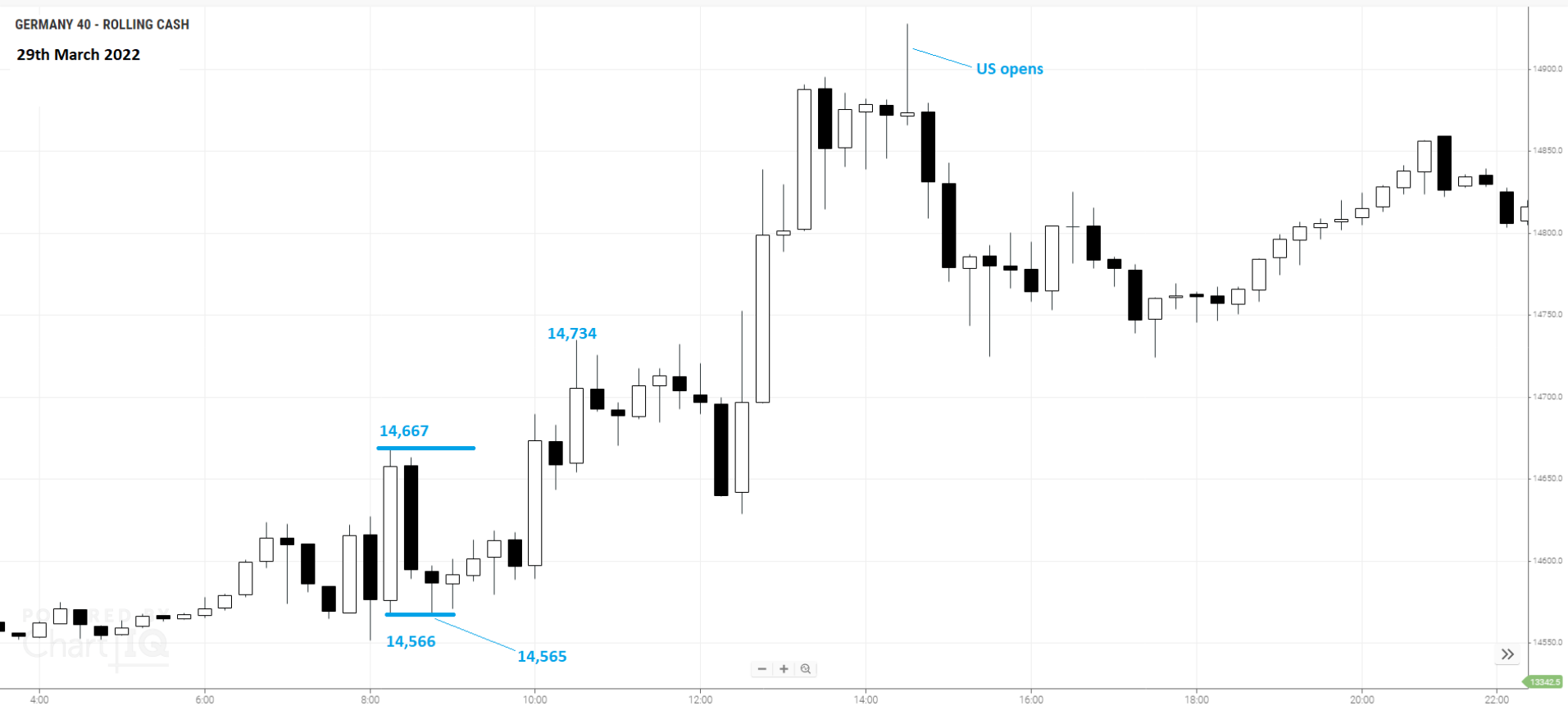






GERMANY 40 - ROLLING CASH

29th March 2022

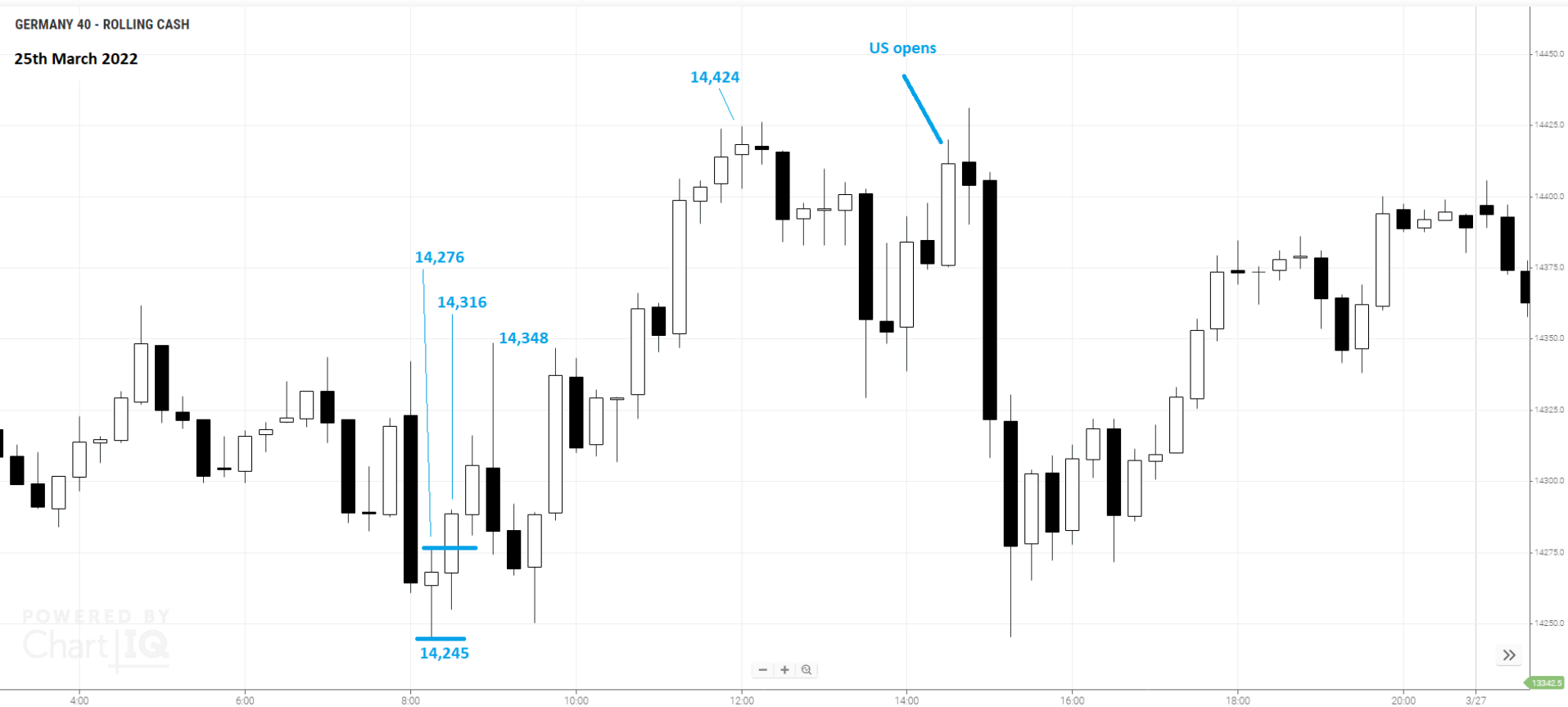


GERMANY 40 - ROLLING CASH
28th March 2022

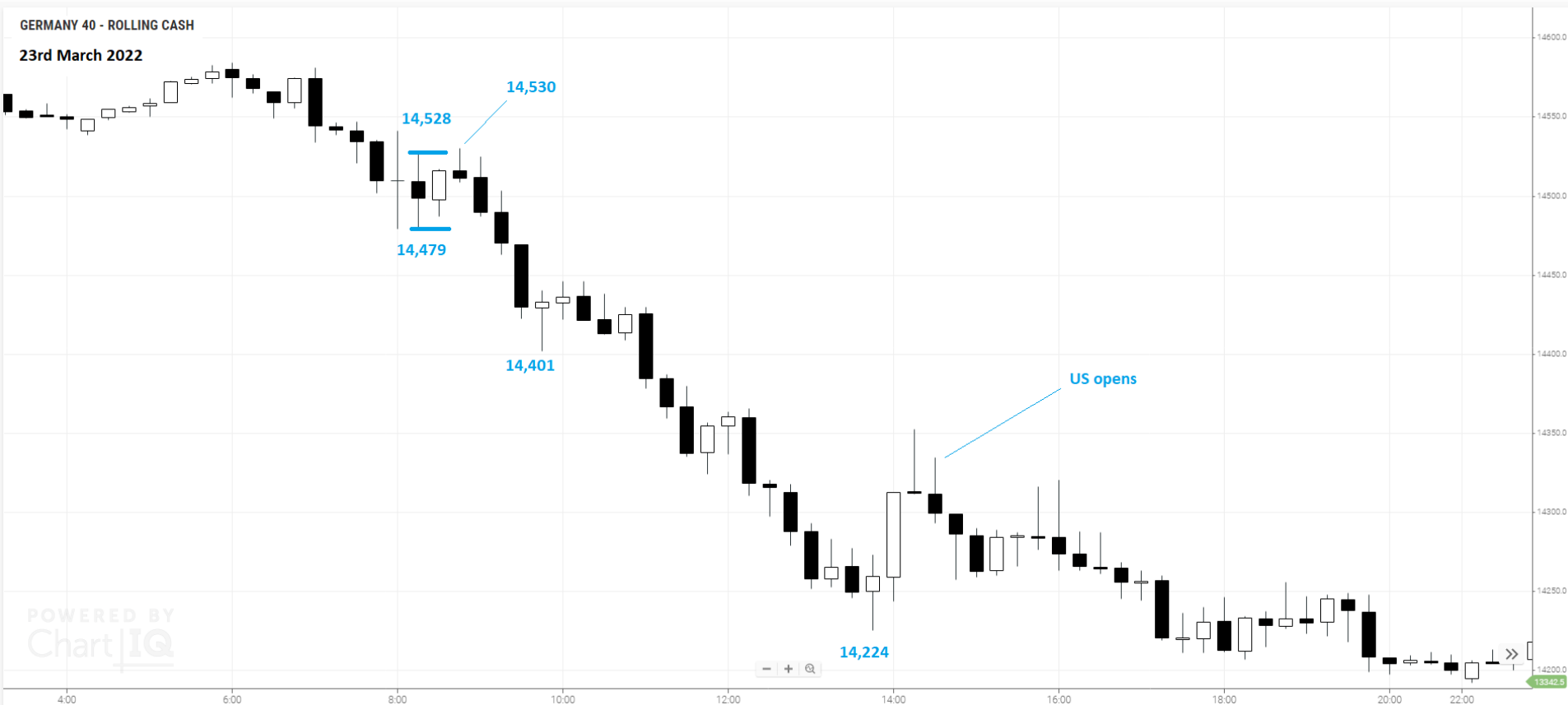


GERMANY 40 - ROLLING CASH

25th March 2022





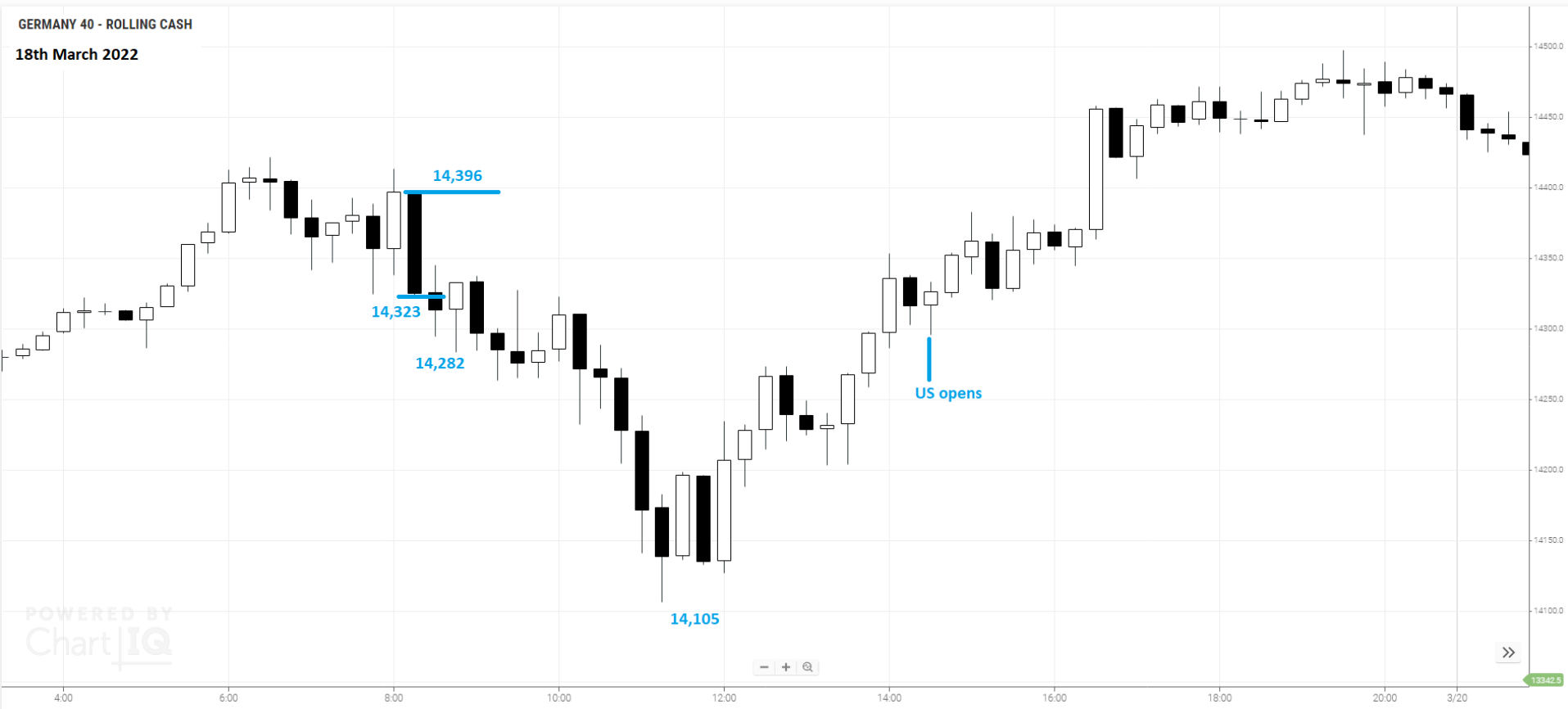


GERMANY 40 - ROLLING CASH

22nd March 2022

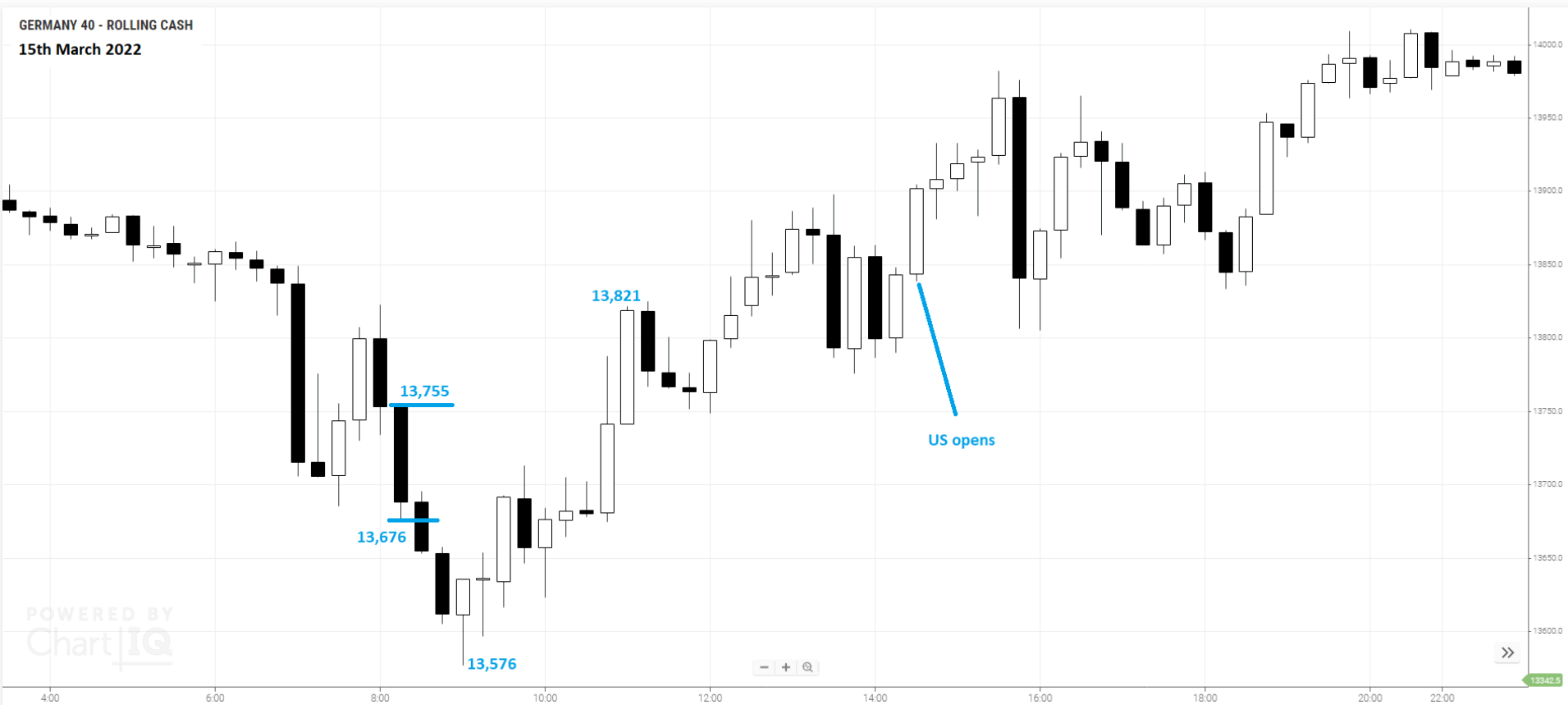




GERMANY 40 - ROLLING CASH
18th March 2022




GERMANY 40 - ROLLING CASH
15th March 2022



GERMANY 40 - ROLLING CASH

11th March 2022

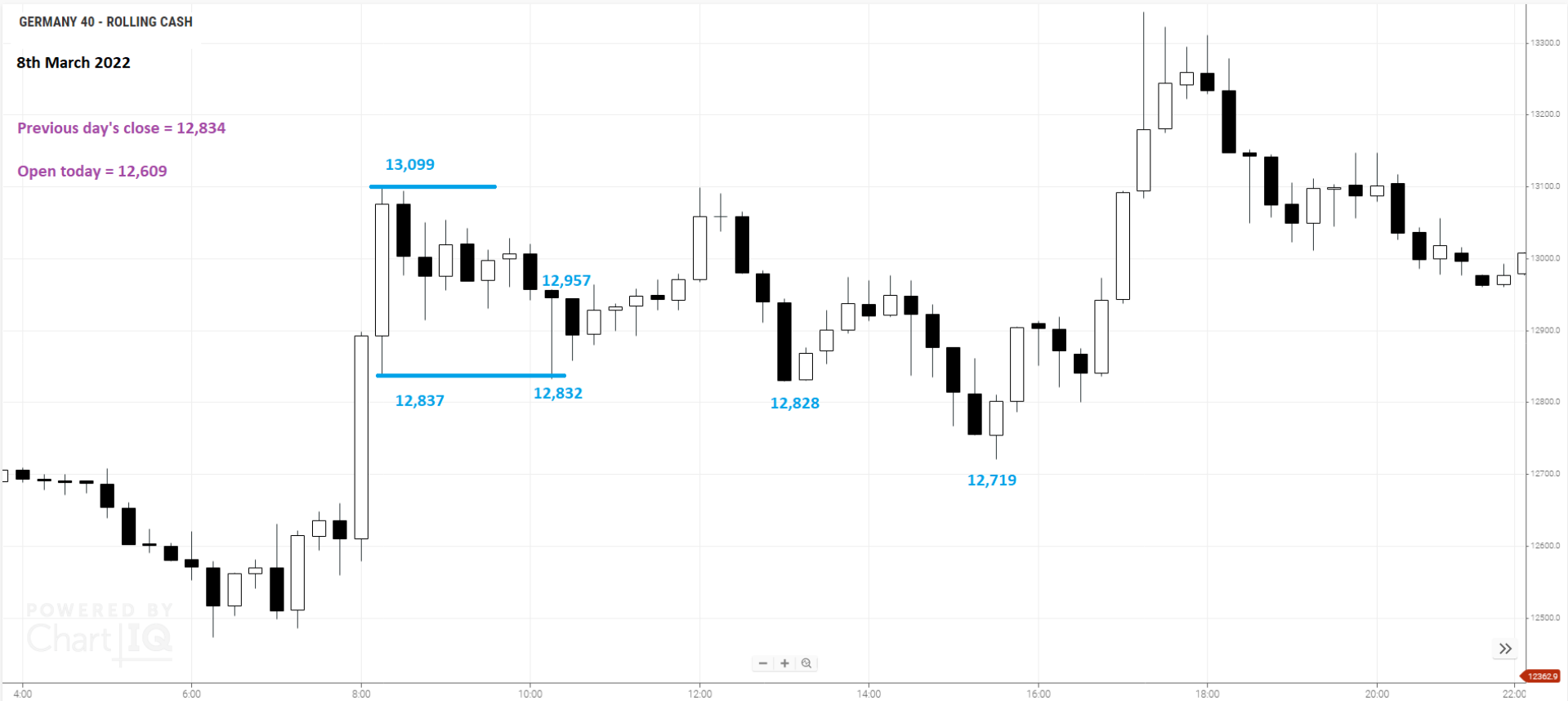


GERMANY 40 - ROLLING CASH

8th March 2022

Previous day's close = 12,834

Open today = 12,609



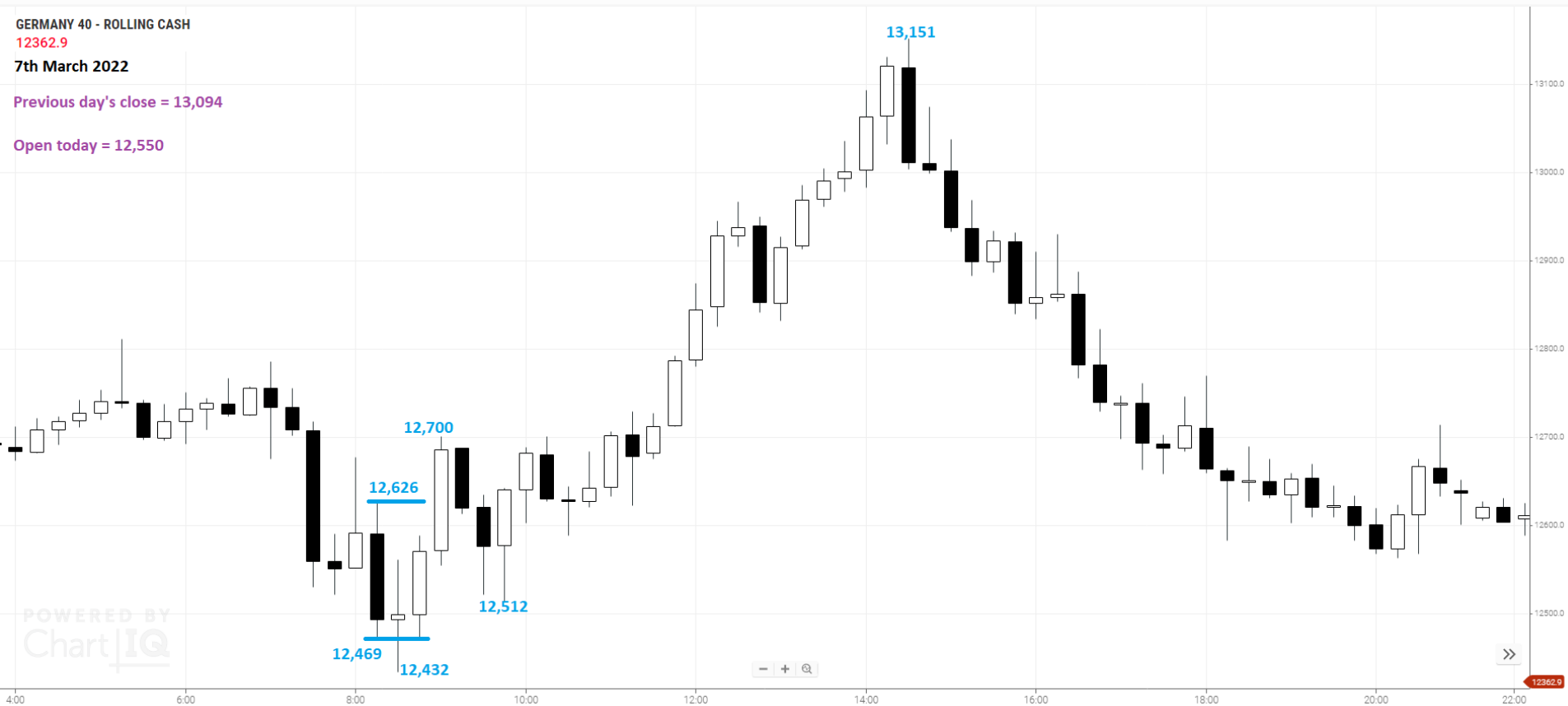
GERMANY 40 - ROLLING CASH

12362.9

7th March 2022

Previous day's close = 13,094

Open today = 12,550



GERMANY 40 - ROLLING CASH
12362.9
4th March 2022



GERMANY 40 - ROLLING CASH
12362.9
3rd March 2022



Questions?

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