

Robert Roy's Power Hour Indicator Applied to TradeStation

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1.0	Initial document.

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Overview

Robert Roy teaches an analysis technique he has dubbed the ***Power Hour***. This technique measures the high and low prices for an arbitrary symbol, e.g. stock, option, future, Forex, etc., for the first hour of trading when the US Stock Market opens, i.e. 9:30 AM Eastern time through 10:30 AM Eastern. Students using this indicator are instructed to draw horizontal lines at both the high and low prices and then wait for the *breakout* in whichever direction, i.e. *bullish* or *bearish*, then trade based upon the student's trading style – either on the breakout (*aggressive*) or after a bounce and confirmation outside the breakout line (*conservative*). For this particular technique, Robert uses a shorter 3 minute candlestick period in contrast to the typical 5 minute candlestick period that he traditionally teaches.

Naturally, drawing these high and low price lines on a basket of symbol charts is rather time consuming and requires a constant effort to keep scanning through the basket of symbol charts looking for breakout candidates. Fortunately, TradeStation has a built-in indicator which is very easy to add and configured on your charts which will ***automatically and dynamically*** draw the Power Hour high and low price lines for you. Moreover, you can set alerts to notify you when a given symbol breaks out thereby saving you time on your trades.

Example

In the Power Hour example chart of T-Mobile (TMUS) below for March 13, 2017, notice the following key points of interest:

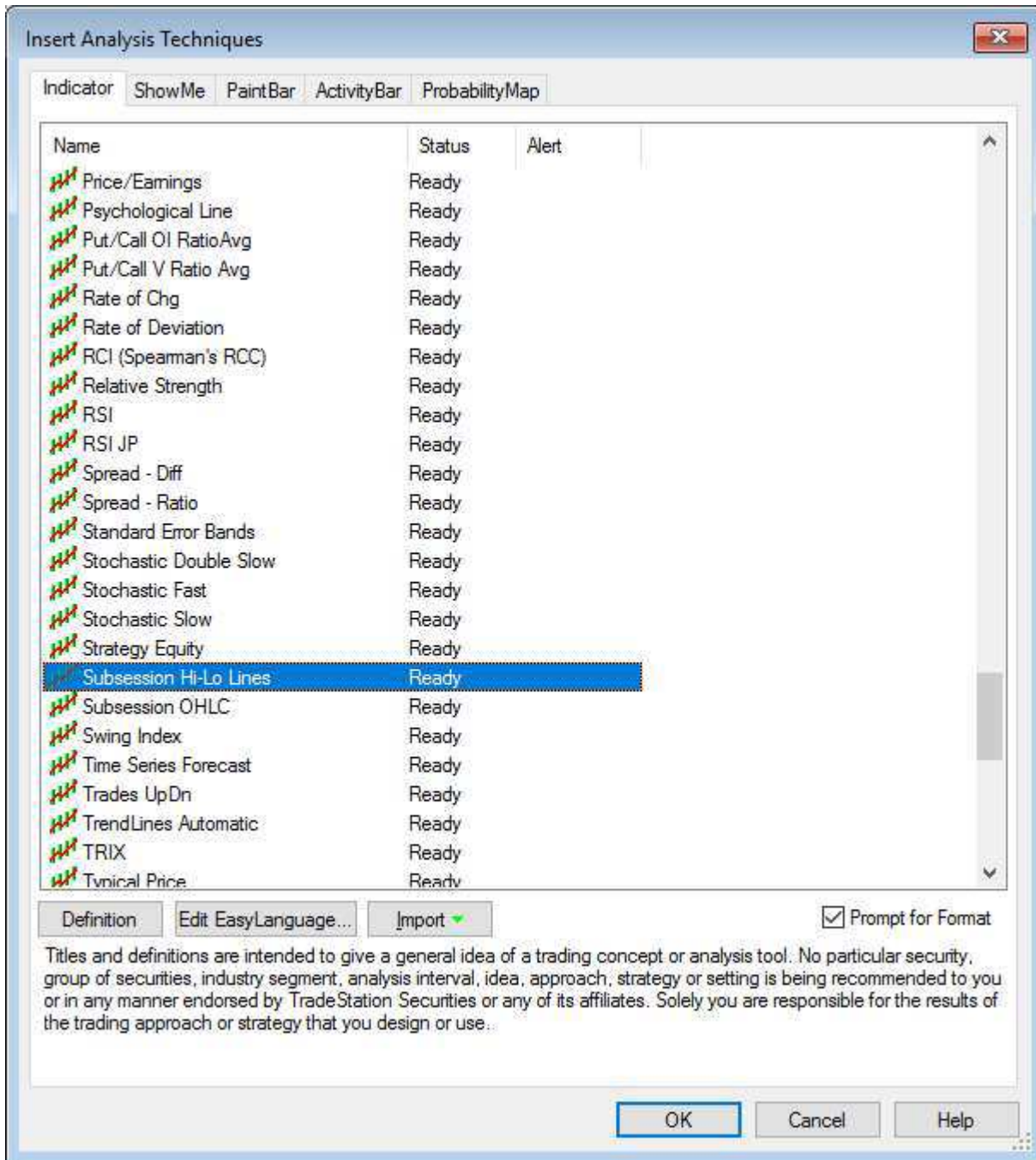
1. At the 9:30 AM ET open of the trading session, the first TMUS 3 minute candle hit its \$61.67 high for the Power Hour, then the chart continues to trend downward for most of the morning. This high is represented by the **green** dashed line on the chart at a price of \$61.67.
2. Around 10 AM candle, TMUS hits the low for the Power Hour period. This low is represented by the **magenta** dashed line on the chart at a price of \$61.12.
3. For illustration purposes, the solid vertical line drawn in **cyan** on the graph below marks the end of the Power Hour period. This line is not drawn on the chart and only appears as a visual reference for this example. From this point forward for the trading session, when the stock price moves outside this range for the first time, then that point is considered the breakout.
4. The breakout occurs moments before 12:30 PM ET. If an alert was set on the indicator, it will be triggered.



Adding the *Power Hour* Analysis Technique to a Chart

Note: these installation notes and pictures in this section are taken from a Windows 10 platform. Your experience may vary.

1. Right-click over an empty area a chart of your choice and choose **Insert Analysis Technique...**

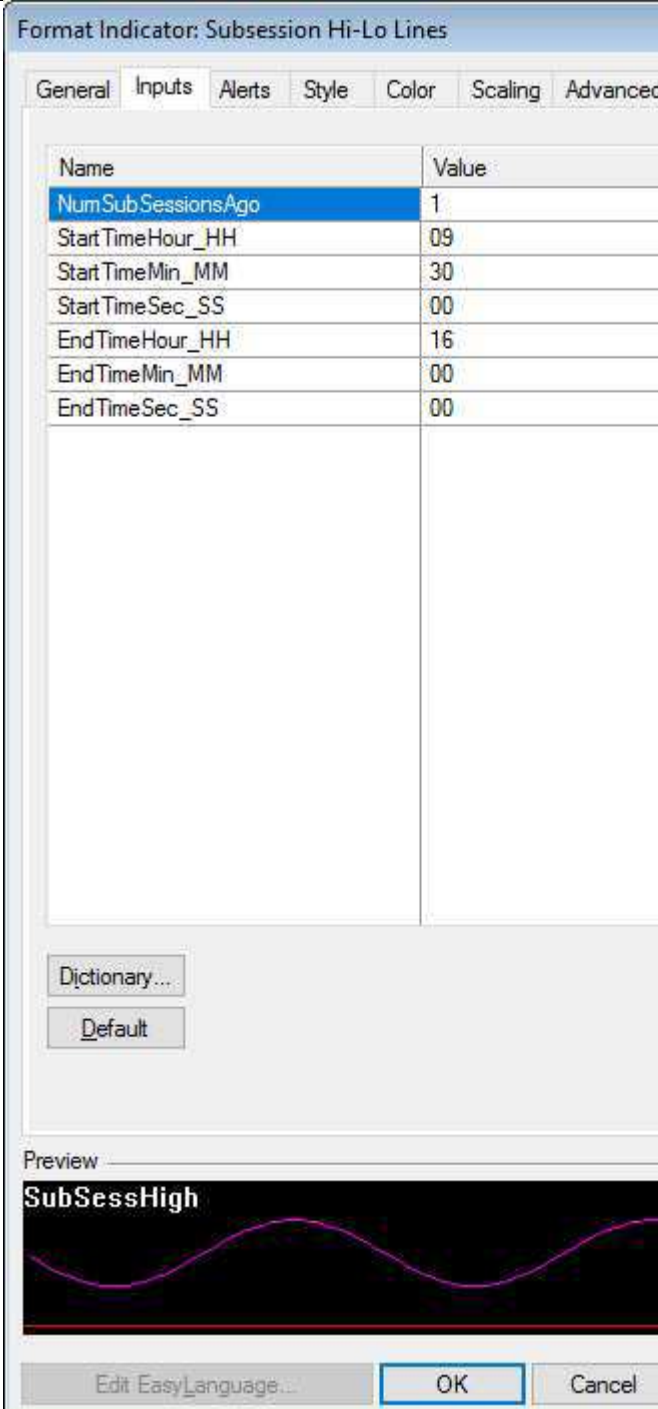
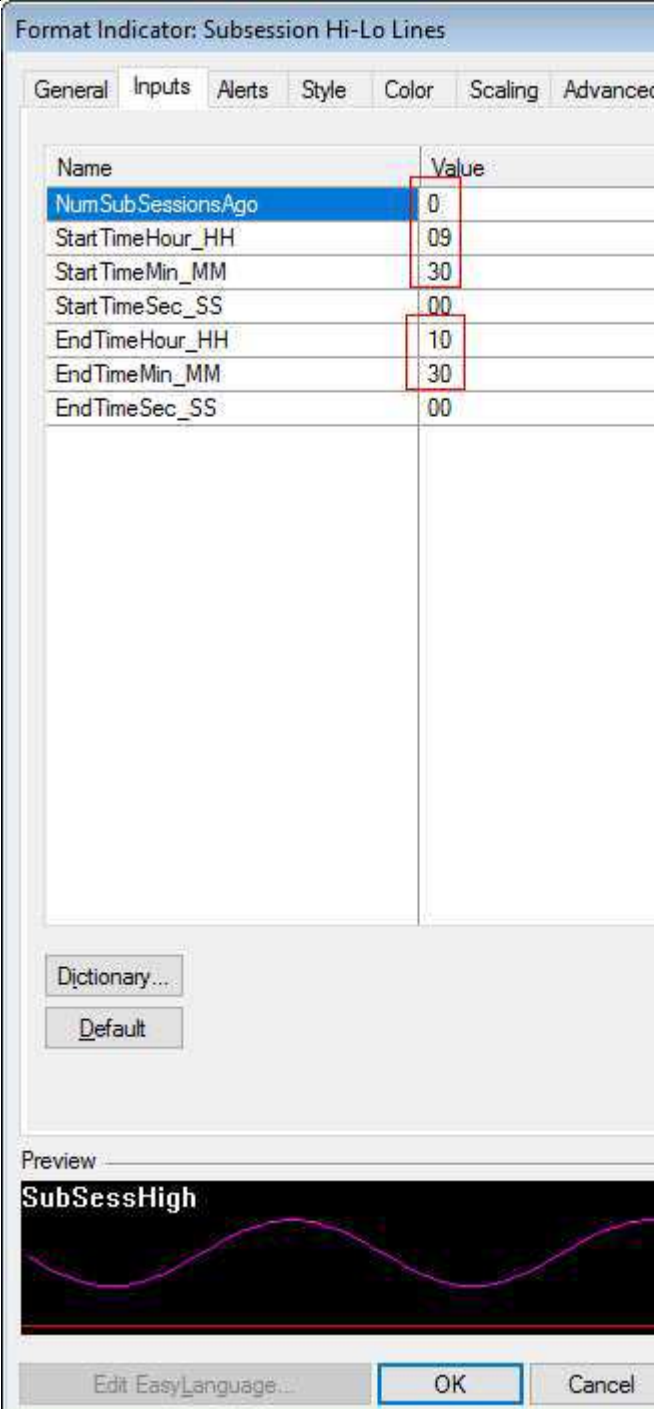


2. On the **Insert Analysis Techniques** dialog window,
 - a) Click on the **Indicator** tab.
 - b) Scroll down through the list, select the **Subsession Hi-Lo Lines**.
 - c) Check the **Prompt For Format** checkbox.
 - d) Press the **OK** button.
3. On the **Format Indicator: Subsession Hi-Lo Lines** dialog window,

a) Click on the **Inputs** tab.

- Set the **NumSubSessionsAgo** field to **0** to draw the Power Hour indicator for each trading session.
- Set the **StartTimeHour_HH** to **09** (which is usually set by default).
- Set the **StartTimeMin_MM** to **30** (which is usually set by default).
- Set the **EndTimeHour_HH** to **10**.
- Set the **EndTimeMin_MM** to **30**.

Note well: If your computer clock is based upon another time zone, set the **StartTime...** and **EndTime...** values that are appropriate for your time zone. For example, in the Pacific time zone, use **StartTime...** values of **06, 30** and **EndTime...** values of **07, 30**, respectively.

<i>Example: Default values (before).</i>	<i>Example: Power Hour values (after – for Eastern time zone)</i>																																
 <table border="1" data-bbox="251 716 812 989"><thead><tr><th>Name</th><th>Value</th></tr></thead><tbody><tr><td>NumSubSessionsAgo</td><td>1</td></tr><tr><td>StartTimeHour_HH</td><td>09</td></tr><tr><td>StartTimeMin_MM</td><td>30</td></tr><tr><td>StartTimeSec_SS</td><td>00</td></tr><tr><td>EndTimeHour_HH</td><td>16</td></tr><tr><td>EndTimeMin_MM</td><td>00</td></tr><tr><td>EndTimeSec_SS</td><td>00</td></tr></tbody></table>	Name	Value	NumSubSessionsAgo	1	StartTimeHour_HH	09	StartTimeMin_MM	30	StartTimeSec_SS	00	EndTimeHour_HH	16	EndTimeMin_MM	00	EndTimeSec_SS	00	 <table border="1" data-bbox="922 716 1482 989"><thead><tr><th>Name</th><th>Value</th></tr></thead><tbody><tr><td>NumSubSessionsAgo</td><td>0</td></tr><tr><td>StartTimeHour_HH</td><td>09</td></tr><tr><td>StartTimeMin_MM</td><td>30</td></tr><tr><td>StartTimeSec_SS</td><td>00</td></tr><tr><td>EndTimeHour_HH</td><td>10</td></tr><tr><td>EndTimeMin_MM</td><td>30</td></tr><tr><td>EndTimeSec_SS</td><td>00</td></tr></tbody></table>	Name	Value	NumSubSessionsAgo	0	StartTimeHour_HH	09	StartTimeMin_MM	30	StartTimeSec_SS	00	EndTimeHour_HH	10	EndTimeMin_MM	30	EndTimeSec_SS	00
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- b) *Optional*: Click on the **Alerts** tab and set any alerts you want to occur on the breakout from the Power Hour range. By default, alerts are *not* enabled.
- c) *Optional*: Click on the **Style** tab and set the style to suit your preference.
 - The *dashed* style was used in the example chart below.
- d) *Optional*: Click on the **Color** tab and set the colors to suit your preference.
 - The **SubSessHigh** and **SubSessLow** plot colors **green** and **magenta**, respectively were used in the example chart below.
- e) Press the **OK** button.



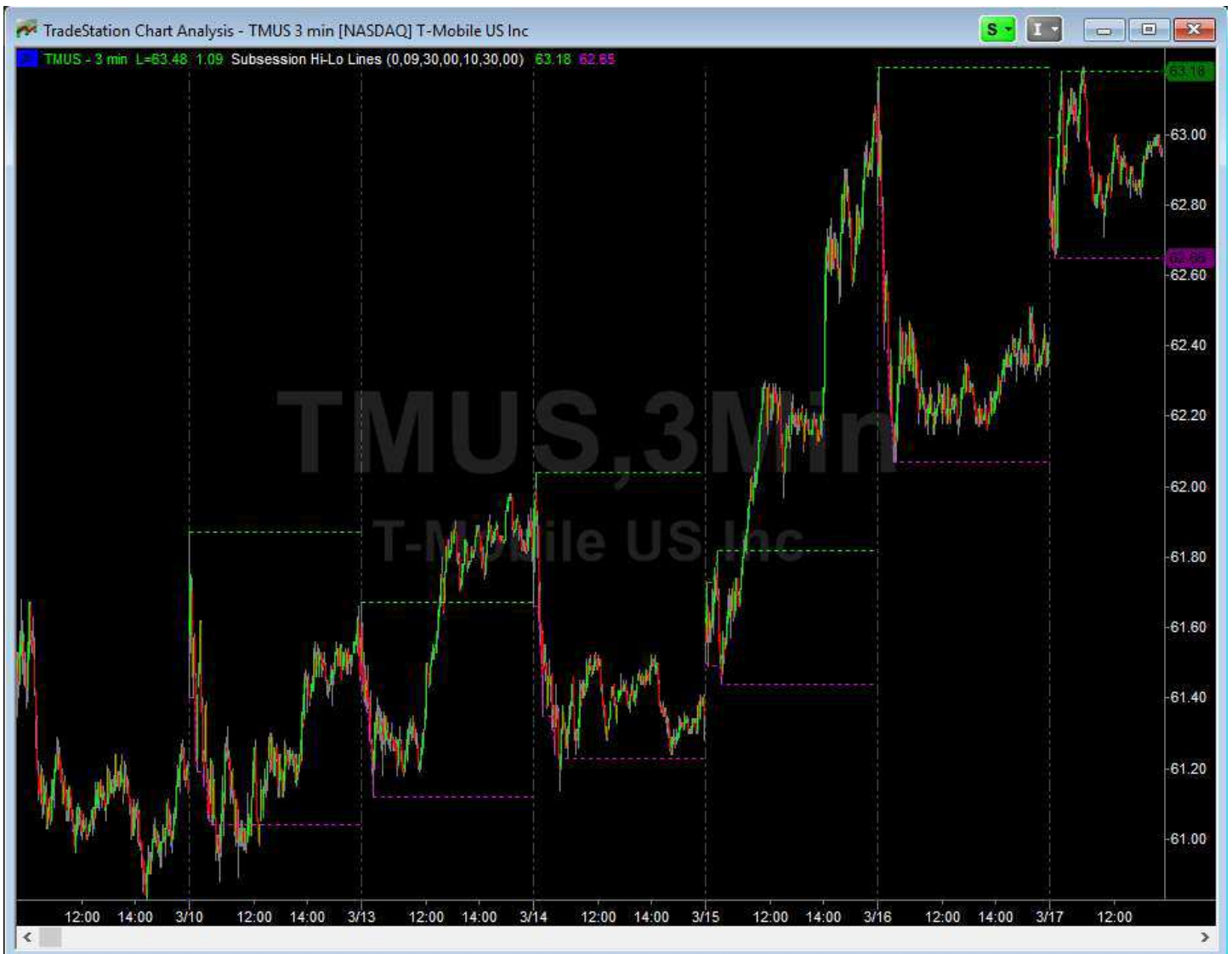
Understanding the *Power Hour* Analysis Technique

When the current session opens, this indicator will dynamically plot the session high and low lines (unless you override the style above) in real time *after* the first candle is fully formed.

Note: If you examine the above chart closely enough, you will see a feature of the way this indicator was written, i.e. the magenta dashed line *outline* is drawn connecting the bottoms of the candlesticks from 9:30 AM ET until around 10:00 AM ET – in addition to drawing the horizontal line for the low.

Because we set the **NumSubSessionsAgo** value to **0** in the **Inputs** tab for the indicator, all previous session charts Power Hour highs and lows are drawn on a per session basis.

Tip: Right click over a chart and select **Format Symbol** from the menu, then set **Range** value for example to provide **7 Days Back** of data which will produce a graph like the one below.



References

1. RGB Color Codes Chart - http://www.rapidtables.com/web/color/RGB_Color.htm