20-Day Breakout (Turtle-style) Rules

Clear Tape · The exact rules of the 20-Day Breakout preset, checked on daily bars after each close
Full guide, worked example and FAQ: https://cleartape.ai/strategies/20-day-breakout

Buys a close above the highest high of the past 20 sessions: the simplest trend-following breakout.

The rules

- Entry: The close is above the highest high of the previous 20 sessions (today not included). Buy at that close.
- Stop: Entry - 2 × ATR(20), set on the entry day and not moved.
- Exit: A close below the lowest low of the previous 10 sessions (today not included); sell at that close.
- Target: None of its own. The target shown is 2R (twice the entry-to-stop distance above the entry), for reference only; the trade is not closed there.

Parameters

- Breakout lookback: 20 sessions
- Exit lookback: 10 sessions
- ATR length: 20
- Stop distance: 2 × ATR(20)
- Minimum history: 80 sessions

Data it needs

- Daily bars (open, high, low, close), split-adjusted: at least 80 sessions, about 4 months.

Terms used

- n-day high: The highest intraday high of the n sessions before today. Today is left out, so a close above it is a breakout to a new n-day high.
- n-day low: The lowest intraday low of the n sessions before today (today left out).
- ATR (average true range): A stock's typical daily move. Each day's true range is the largest of high - low and the distances from the previous close to the high and to the low (so gaps count); ATR(n) averages it Wilder's way (each new day counts 1/n). A stop set in ATRs sits farther away on a jumpy stock.
- R (risk per share): Entry minus stop. A 2R target sits twice that distance above the entry.

How it differs from the original Turtle System 1

- The Turtles bought during the day, the moment price traded above the 20-day high. This end-of-day version waits for a close above it.
- The Turtles' filter that skips a breakout after a winning one is not applied.

Origin

- Based on Richard Donchian's 4-week rule and the 20-day breakout used by the Turtle traders (Curtis Faith, Way of the Turtle, 2007).

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