🚀 MSFT — Daily Resistance Break + Opening Drive

Traders Notebook

🧭 Overview

Setup date: Friday, May 29, 2026 **Ticker:** MSFT (NASDAQ) · 1-min **Setup type:** Higher-timeframe level break □ opening drive + continuation longs **Bias:** Long (intraday) **Status:** 📌 Playbook study — not a trade I took. Documenting from chart review to build out the playbook.

This is a setup I found going back through charts, and I want it documented because the structure is repeatable: a large-cap coiled just under a major daily level, a fresh fundamental catalyst on the open, and a volume-backed opening drive that produces 3–4 defined-risk entries on one chart. The point of this page is to capture *how this should be traded* so when the structure shows up live, I already have the plan.

📰 The Catalyst — Why It Moved

> ⓘ **Catalyst (5/29/26):** MSFT ran on its AI/cloud monetization story. The headline number was a **$37 billion AI run rate**, which gave the market a concrete benchmark to price in — plus reports of stronger AI-driven revenue, in-house models to cut the cost of serving AI demand across Azure and M365, and Xbox/software strength. The stock closed **+5.45% at $450.24** 📈.

Stock Market Today, May 29: Microsoft Rises as $37 Billion AI Run Rate Highlight...

The $37 billion AI run rate gives Microsoft a clearer monetization benchmark, while in-house...

🌐 The Motley Fool

This matters because the move wasn't technical noise — it was news-driven buying through a level the whole market was watching. **News + level + volume = stock in play.** That combination is what turns a normal breakout into a 5% trend day, and it's the first filter for this setup.

🗓️ Big Picture First — The Daily

$433.70 is a **major daily resistance level** — tested and rejected repeatedly for months. On 5/29 the stock gapped up and pressed straight into it. That HTF level is the entire reason the intraday setup has teeth.

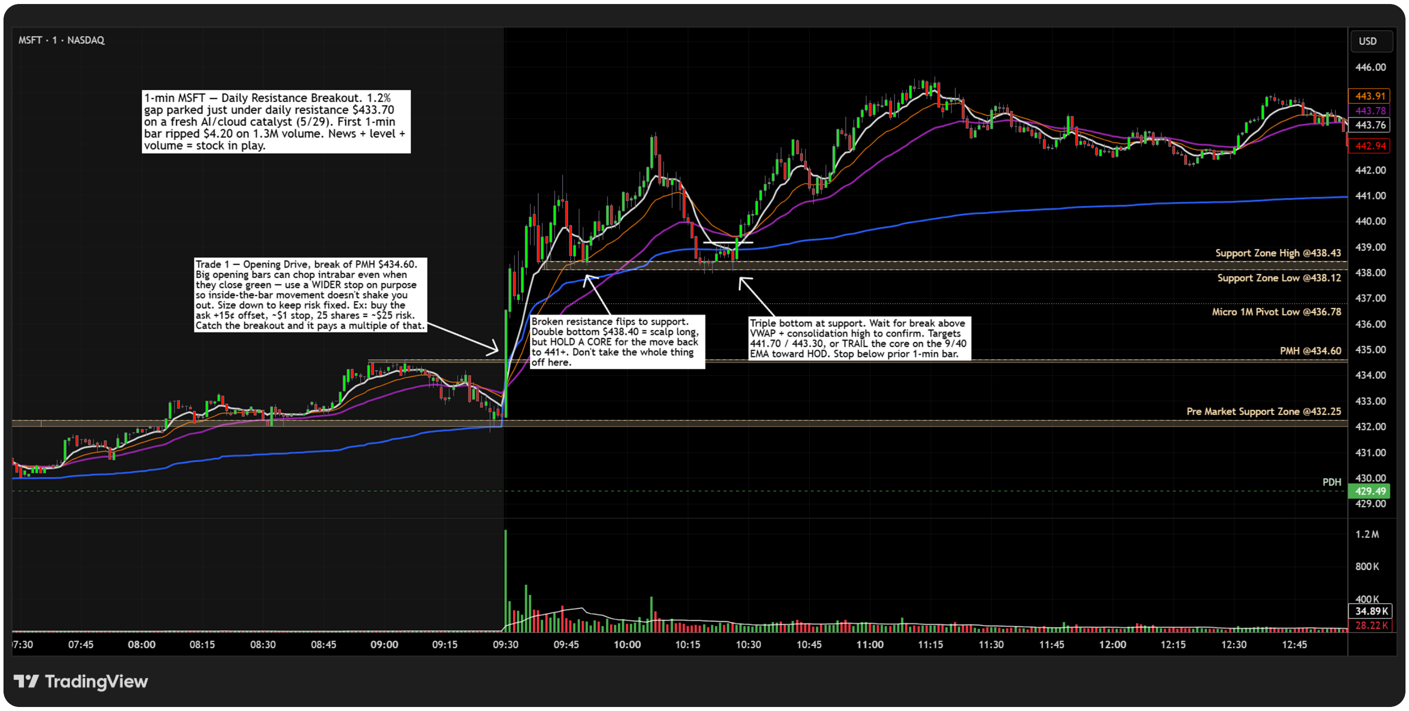
> ⚠️ **This is an intraday RENTAL setup, not a swing.** On the daily, MSFT is still in a broader downtrend — price under the declining moving averages, $433.70 is resistance inside a larger down-move. So this kind of break is something to trade *during the day* and bank into strength, not hold overnight. Confirmed: the move later failed and price is back near $390. Trade the drive — don't marry it. 💍🚫

📊 Market Context — QQQ Same Day

The index was supportive on the open. QQQ gapped up through its PMH (~737.50) on a volume spike at 9:30 and ran to a morning high near **741.60 around 10:00** — risk-on tape, same direction as the MSFT long. That's the green light: a long here wasn't fighting the market, the market was fueling the move. 🟢

> 📄 💪 **Relative strength tell:** QQQ topped ~10:00 and then sold off hard into its lows by ~10:45 (down to ~735.40, under PDH). MSFT, meanwhile, **held its $438 support zone through that index pullback** (the triple bottom). A stock that holds support while the index dumps is showing relative strength — that's bullish confirmation for the continuation long, not a reason to bail. This is exactly the cross-chart read I want to be making in real time.

🎯 The Intraday Plan — Where the Opportunities Were



Premarket coiled right under the daily level into the open. **PMH @ 434.60**, pre-market support @ 432.25. First 1-min bar off 9:30 ripped **$4.20 on 1.3M volume** 🔥 — biggest bar of the day.

📍 Key Levels

Level	Price	Role
Daily Resistance	$433.70	HTF level is being broken
PMH	$434.60	Opening-drive trigger
Pre-Market Support	$432.25	Below-open support
PDH	$429.49	Prior day high
Support Zone	$438.12 – 438.43	Post-breakout base ▯ support
Micro 1M Pivot Low	$436.78	Intraday reference
High of the Day	~$445.90	Where the runner pays

📋 Trade Plan (how this should be traded)

#	Setup	Trigger	Stop	Targets

1	**Opening Drive**	Break of PMH $434.60 on volume	~$1 wide (on purpose), small size	Ride momentum, trail the runner
2	**First Pullback** (double bottom)	Hold of $438.40 support	Below support zone $438.12	Back to 441+, hold a core
3	**Support Retest** (triple bottom)	Break above VWAP + consolidation high	Below prior 1-min bar	441.70 / 443.30, then trail core to HOD

> ⚡ **Opening-drive execution.** Big opening bars can chop *inside the bar* even when they close green at the high — you don't know how it traveled to get there. So the method is a **wider stop on purpose** so intrabar movement doesn't shake you out, and **size down** to keep the dollar risk fixed. Example: buy the ask with a ~15¢ offset to eat the spread, ~$1 stop, 25 shares = **~$25 of defined risk** 🛡️. Catch the breakout and it pays a multiple of that. Small size is the price of the wider stop — risk stays tiny, upside is asymmetric.

> 🔄 **Resistance becomes support.** Once the price is based above $438, that level flipped from a ceiling to a floor — which is why the double bottom and triple bottom there are high-conviction. Same level, tested three times, held every time at the rising EMA before launching to the highs.

> ⚠️ 🚨 **The rule this setup is built to enforce: hold the runner.** Scale into targets at 441.70 / 443.30, but HOLD A CORE and trail it on the 9/40 EMA toward the high (~445.90). On a clean trend leg, price never closed back below the 9/40 EMA, so the EMA is the trail. Scalping the whole position off on the first whole dollar is the leak I'm documenting these playbooks to fix. 💸

📖 The PlayBook (If / Then)

- **Setup condition:** Large-cap coiled under a *major daily level* into the open, ideally with a fresh catalyst that morning. Check the index (QQQ/SPY) — is the tape supportive?
- **IF** the opening bar breaks PMH on a clear volume spike □ **THEN** opening-drive long. Wide stop, small size, don't hesitate.
- **IF** price pulls back to the broken level (now support) and holds □ **THEN** continuation long, stop below the zone, hold a core.
- **IF** support holds a 2nd/3rd time at the rising EMA (especially while the index is pulling back = relative strength) □ **THEN** highest-conviction reload. Confirm on break above VWAP + consolidation high.
- **TRAIL** the core on the 9/40 EMA — cover when price closes back below it, not on the first whole dollar.
- **CONTEXT CHECK:** Daily still in a downtrend? Treat it as an intraday rental — take profits into strength, do NOT hold overnight.

✅ Bottom Line

This is a clean template to study: a $37B AI run-rate catalyst, a stock breaking a major daily level, a green index tape, a volume-backed opening drive, and continuation entries off a flipped support zone — including relative strength when the index sold off and MSFT held. Three to four defined-risk entries, all from one read. The two things that wreck a chart like this are hesitation on the open and scalping the runner too early, so the playbook is built to remove both. This is the model I want to recognize and execute on the next one. 🎯