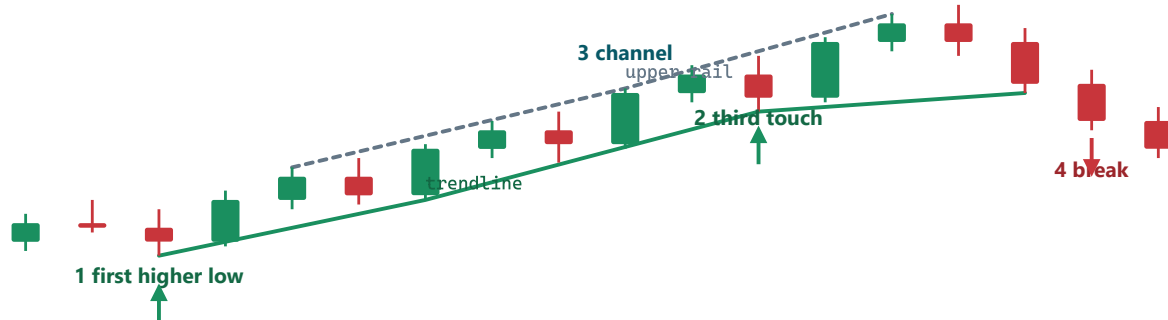


Trendlines & channels

A trendline is a single straight line drawn through a series of rising lows. Add a parallel line along the highs and you get a channel — a simple way to see the shape of a move and where price has been reacting.

QUANTREEF
market microstructure



PHASE 1 · THE ANCHOR

First higher low

An uptrend leaves behind lows that each sit higher than the last. Connecting two of those rising lows gives you the start of a trendline — a sloped line beneath the price.

PHASE 2 · CONFIRMATION

A third touch

When price dips back to the line a third time and turns up again, the trendline is confirmed. Each touch that produces a reaction adds weight to the line as a reference.

PHASE 3 · THE CHANNEL

Parallel upper rail

Draw a second line parallel to the first, running along the swing highs. Price now travels inside a channel, reacting off the lower rail on dips and the upper rail on rallies.

PHASE 4 · THE BREAK

Trendline gives way

Eventually a candle closes below the lower rail instead of bouncing. That break tells you the old rising structure no longer holds and the shape of the move has changed.

Key terms

Trendline — A straight line drawn through rising lows (or falling highs) to show a move's direction and slope.

Higher low — A dip that bottoms out above the previous dip, the building block of an uptrend.

Channel — Two parallel lines wrapping a move — one along the lows, one along the highs.

Touch — A point where price returns to a line and reacts, adding evidence the line matters.

How to read & use it

Two points draw it, a third proves it

Any two lows can be connected, but a line only becomes meaningful once price has touched and reacted at it more than twice.

Reactions matter more than exact touches

Look for the line producing a visible turn, not a perfect wick-to-pixel touch. Clusters of reactions near the line are what count.

A break redraws the picture

A close beyond the line signals the prior structure has changed. It describes what happened, not what will happen next.

HOW QUANTREEF USES THIS

Where Quantreef highlights trendlines or channels, it is showing descriptive context drawn from recent price structure to help you read a chart. It is educational information, not a signal, recommendation, or prediction about future prices.