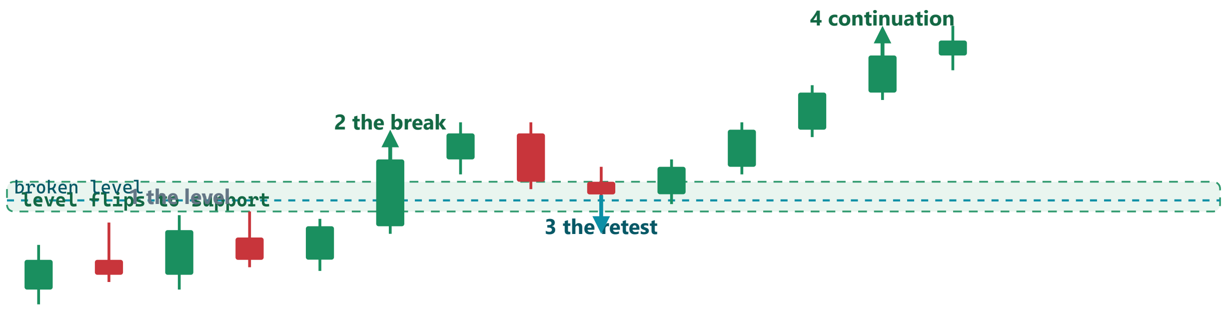
FIELD GUIDE · PATTERNS & EXECUTION

Breakout and **retest**

Price pushes through a level it kept bouncing off, then often drifts back to touch that level again before moving on. This handout walks through why that return visit happens.

QUANTREEF
market microstructure



PHASE 1 · THE LEVEL

A level holds

Price bumps against the same ceiling several times without closing above it. Repeated touches make the level obvious to everyone watching, so reactions there tend to be sharp.

PHASE 2 · THE BREAK

Price breaks through

A candle finally closes clearly above the level. This is the breakout. On its own a single break can be noisy, since price can poke above a level and fall straight back below it.

PHASE 3 · THE RETEST

It comes back to check

Instead of running away, price often drifts back down to the broken level. If the old ceiling now acts as a floor and holds, that flip from resistance to support is the retest many people treat as the cleaner reference point.

PHASE 4 · CONTINUATION

The move resumes

When the retest holds, price tends to lift away from the level again. The earlier ceiling has, at least for now, changed roles into a floor beneath the move.

Key terms

breakout — a close beyond a level price had been respecting, in this case above a repeated ceiling

retest — price returning to touch the broken level from the other side to see if it now holds

support and resistance flip — when a broken ceiling starts acting as a floor, or the reverse

false break — a break that fails and reverses back through the level instead of holding

How to read & use it

The close matters more than the poke

A wick briefly beyond the level is weaker evidence than a full candle closing beyond it. The retest gives a second, calmer look at whether the break stuck.

The flip is the story

The idea rests on roles swapping: an old ceiling behaving as a floor. If price falls back below and stays there, the flip did not hold and the pattern is invalidated.

Not every break retests

Sometimes price runs without looking back, and sometimes the retest fails outright. Treat the pattern as one lens on structure, not a rule that always plays out.

HOW TO READ THIS IN QUANTREEF

When Quantreef marks a broken level or a retest, it is showing descriptive context drawn from recent price structure to help you learn the pattern. It is educational information, not a signal, recommendation, or prediction, and it does not tell you what will happen next or what to do.