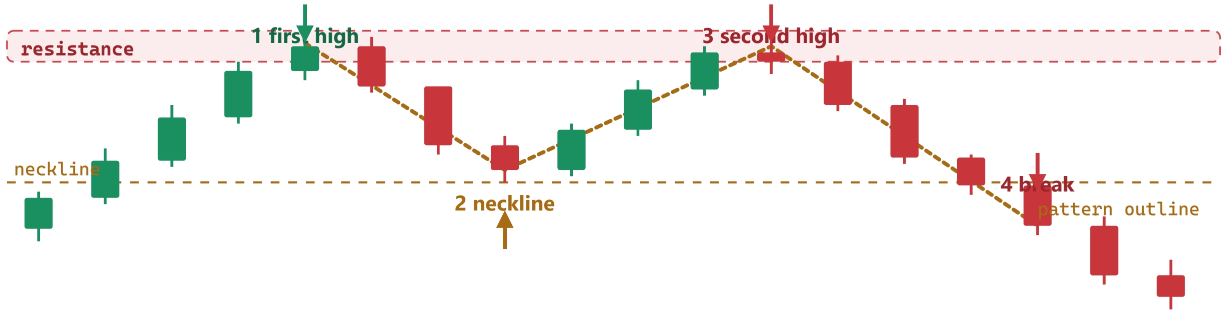
FIELD GUIDE · PATTERNS & EXECUTION

Two peaks, one neckline

A double top forms when price reaches a high, pulls back, then hits a second high near the same level and fails again. The low between the peaks is the neckline. Here is how the shape builds.

QUANTREEF
market microstructure



PHASE 1 · THE FIRST PEAK

First high forms

Price rises into a level where the advance stalls and turns back down. On its own this is just one turning point, not a pattern yet.

`peak one`

PHASE 2 · THE PULLBACK

Neckline is set

Price falls away from the first high and finds a temporary floor. This intermediate low becomes the neckline, the reference level for the whole shape.

`neckline drawn`

PHASE 3 · THE SECOND PEAK

Second high near the first

Price rallies again toward the earlier high and stalls at a roughly equal level, failing to push meaningfully higher. Two comparable peaks now sit either side of the neckline.

`peak two ≈ peak one`

PHASE 4 · THE BREAK

Neckline gives way

Price drops back to the neckline and closes below it. A close beyond the neckline is what traders call confirmation of the pattern; until then the shape is only potential.

`close below neckline`

Key terms

Double top — Two roughly equal highs separated by a pullback, hinting the prior uptrend is losing momentum.

Double bottom — The mirror image: two roughly equal lows with a bounce between, seen after a decline.

Neckline — The pullback level between the two peaks (or bounce between two lows); the pattern's key reference.

Confirmation — A candle closing beyond the neckline, which is when the shape is considered complete.

How to read & use it

Look for rough symmetry

The two highs need not be identical, but they sit close together. A second peak far above the first is a different picture, not a clean double top.

The neckline is the anchor

Draw the neckline at the low between the peaks. Watching how price behaves around that level is the core of reading the pattern.

A close, not a poke

A brief wick through the neckline differs from a candle that closes beyond it. Many readers wait for a close to treat the shape as complete.

HOW QUANTREEF SHOWS THIS

When Quantreef highlights a double top or bottom, it is describing a shape already visible in the chart as educational context. It is not a signal, a recommendation, or a prediction of what price will do next. Patterns describe past structure, and shapes that look complete can still fail.