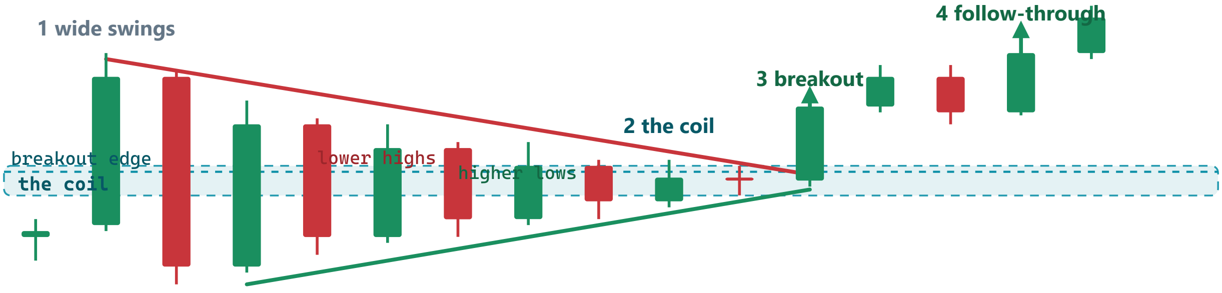
PATTERNS & EXECUTION

# Triangles: when price coils before it moves

A triangle forms when price swings shrink and two trendlines squeeze together. The tightening range often resolves with a breakout. Here is how to read the coil and its three common shapes.

QUANTREEF
market microstructure




1
### Wide swings begin
Price rallies and falls in large moves, tagging a high then a low. Connecting these turning points starts to outline the upper and lower edges of a range.

2
### The range coils
Each swing high is a little lower and each swing low is a little higher, so the two trendlines converge. This tightening is the coil, and it shows buyers and sellers reaching a temporary balance.

3
### A breakout appears
Price pushes decisively through one trendline, often on a larger candle. The squeeze resolves as the balance breaks and one side takes over for a stretch.

4
### Follow-through or fade
After the break, price may continue in the breakout direction, or drift back to retest the broken line. Neither outcome is guaranteed; the pattern only describes the coil and its release.

## Key terms

**Symmetrical triangle** — Lower highs and higher lows, so both trendlines slope toward each other at a similar angle.

**Ascending triangle** — A flat upper line with rising lows underneath, showing lows climbing toward the ceiling.

**Descending triangle** — A flat lower line with falling highs above, showing highs pressing down toward the floor.

**Apex** — The point where the two converging trendlines would meet; the coil usually resolves before reaching it.

## How to read & use it

### Look for converging lines
Two trendlines that narrow toward each other define a triangle. At least two touches on each line make the shape clearer to read.

### Watch where the squeeze breaks
A close beyond a trendline marks the breakout edge. Which side gives way is what turns the coil into a directional move.

### Breakouts can fail
Price can poke through and snap back, or retest the broken line before moving. Treat the pattern as descriptive context, not a promise of direction.

HOW QUANTREEF SHOWS THIS

Anything Quantreef highlights about triangles or coiling ranges is descriptive, educational context about the shape on the chart. It is not a signal, a recommendation, or a prediction of which way price will break.