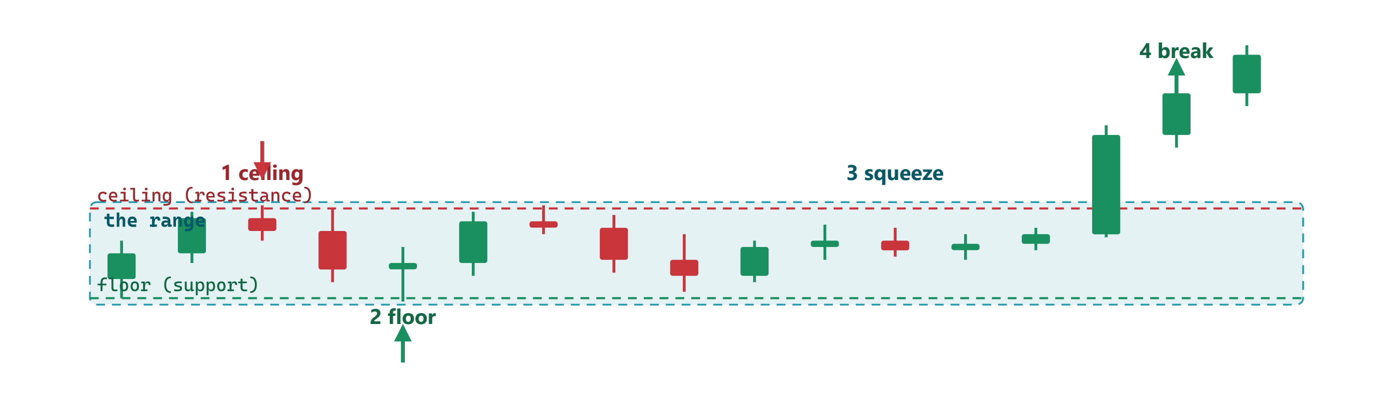
ranges & consolidation

Sometimes price stops trending and moves sideways, bouncing between a floor and a ceiling. This sideways balance is a range. Here is why ranges form and how the edges differ from the breakout.

QUANTREEF
market microstructure



1

the ceiling holds

Price pushes up to a level where sellers repeatedly step in. Each time it reaches this area it turns back down. That upper boundary becomes the range resistance, or ceiling.

`resistance`

2

the floor holds

Price falls to a level where buyers repeatedly step in and it turns back up. This lower boundary becomes the range support, or floor. The floor and ceiling together define the range.

`support`

3

balance and squeeze

Buyers and sellers are roughly matched, so price drifts between the edges. This equilibrium is consolidation. Often the swings get smaller and the range tightens as the market coils.

`equilibrium`

4

the break

Eventually one side wins and price closes decisively outside the range. This break can start a new trend. The old ceiling or floor may then flip roles for future moves.

`breakout`

Key terms

range — a sideways zone where price moves between a stable floor and ceiling instead of trending.

consolidation — a pause where buyers and sellers are balanced, so price drifts rather than moving one direction.

support and resistance — the floor buyers defend and the ceiling sellers defend, forming the range edges.

breakout — a decisive close outside the range that can end the balance and begin a new move.

How to read & use it

spot the edges

A range needs at least two touches of a floor and two of a ceiling. Marking those levels shows where price has repeatedly balanced, so the sideways structure becomes visible.

edges versus the break

Inside a range, moves tend to stall near the edges and turn back toward the middle. A breakout is different: price leaves the range entirely. Recognising which is happening is the core skill.

beware false breaks

Price can briefly poke past an edge and then fall back inside. A single wick outside the range is weaker evidence than a full candle close beyond it. Watching for follow-through helps read the difference.

HOW QUANTREEF SHOWS THIS

When Quantreef highlights a range or a break, it is descriptive context to help you read structure, not a signal, recommendation, or prediction. It never tells you to buy or sell. Nothing here is trading advice.