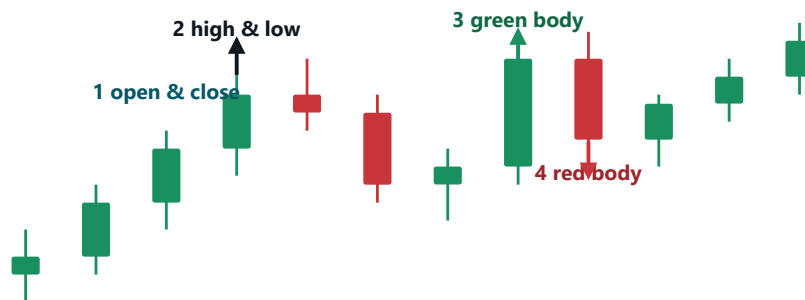


How to read a candle

A single candlestick packs four prices into one shape. Learn to read the open, high, low and close, plus the difference between the body and the wicks.

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market microstructure



PHASE 1 · THE BODY

Open and close

Each candle covers one slice of time. The open is the first traded price, the close is the last. The thick body is drawn between those two prices.

body = open to close

PHASE 2 · THE WICKS

High and low

The thin lines above and below the body are wicks. Their tips mark the highest and lowest prices reached during that same slice of time.

wick = the extremes

PHASE 3 · COLOUR UP

A bullish candle

When the close sits above the open, the body is usually shown green. Price finished the slot higher than where it started.

close > open

PHASE 4 · COLOUR DOWN

A bearish candle

When the close sits below the open, the body is usually shown red. Price finished the slot lower than where it started.

close < open

Key terms

Open — The first traded price when the candle's time slot begins; one edge of the body.

Close — The last traded price when the slot ends; the other edge of the body.

Body — The filled block between open and close, showing the net move over the slot.

Wick — The thin line reaching to the high or low, marking the extreme price touched.

How to read & use it

Body versus wick

A long body means open and close were far apart. Long wicks show prices were reached and then left behind before the candle closed.

Colour at a glance

Green means the close was above the open; red means it was below. It is a quick read of the slot's direction, nothing more.

Pick your time slot

One candle can cover a minute, an hour or a day. Same anatomy, different span. The timeframe decides what each candle summarises.

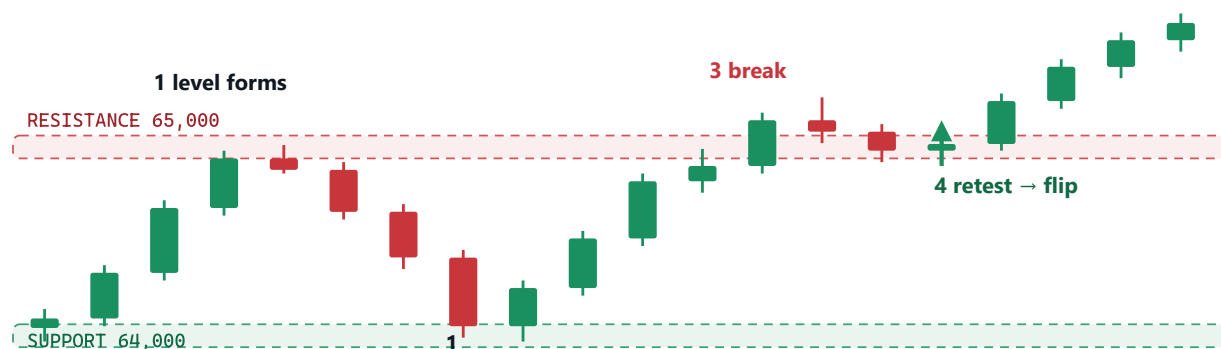
HOW QUANTREEF USES THIS

Anything Quantreef shows about candles is descriptive context to help you read a chart. It is education, not a signal, recommendation or prediction, and it never tells you to buy or sell.

Support & resistance

The horizontal areas where price keeps reversing — and what happens the moment one finally breaks.

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PHASE 1 · IT FORMS

A level appears

Price reverses at the same area more than once. Every touch that holds makes the shelf more respected — a cluster of resting orders.

PHASE 2 · IT HOLDS

Buyers vs sellers

Support is a floor buyers defend; resistance a ceiling sellers cap. Reactions, not exact prices — think zone.

PHASE 3 · THE BREAK

One side wins

Eventually price closes decisively through the level. The shelf gives way and momentum follows.

PHASE 4 · THE FLIP

Retest & polarity

Broken resistance often becomes support (and vice-versa). Price returns, the old level holds from the other side, move continues.

Key terms levels are zones, not lines

Support — a floor where buyers step in and price bounces.

Resistance — a ceiling where sellers step in and price stalls.

Polarity flip — broken support → new resistance; broken resistance → new support.

Zone, not a line — use a band — wicks routinely overshoot the exact price.

Reading & using levels

Why levels hold

Memory plus resting orders plus attention — traders cluster stops and entries at the same obvious and round prices, which becomes self-reinforcing.

Real break vs. fake-out

A decisive close through beats a wick through. Low-conviction pokes that snap back are false breaks — often themselves a liquidity grab.

How to use it

Wait for the reaction at the zone, or for the break-and-retest flip. If price closes back inside, the idea is invalidated.

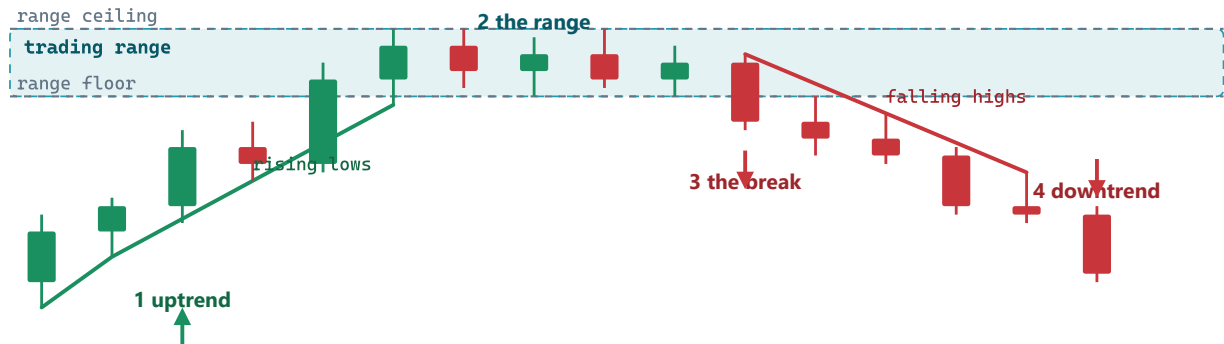
HOW QUANTREEF SHOWS THIS

The portal draws **structural support & resistance** from real 4H / 1D pivots, and a level-reaction percentage. That figure is a **descriptive base rate** from price history — context, not a prediction or a trade signal.

Trend and market structure

Markets move in patterns of peaks and troughs. Learning to mark those swing points lets you describe whether price is trending up, trending down, or simply moving sideways.

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PHASE 1 · THE UPTREND

Higher highs, higher lows

Price prints a peak, pulls back to a low that sits above the previous low, then pushes to a higher peak. That stair-step of rising swing highs and rising swing lows is what an uptrend looks like.

HH + HL

PHASE 2 · THE RANGE

Sideways balance

The swings stop advancing. Highs stall near a ceiling and lows hold near a floor, so price oscillates in a band. No new higher high or lower low means no clear trend, just a range.

flat swings

PHASE 3 · THE BREAK

Structure shifts

Price closes below the range floor and prints a low beneath the prior swing low. Breaking the pattern of the previous structure is how a trend change first shows up on the chart.

lower low

PHASE 4 · THE DOWNTREND

Lower highs, lower lows

Now each bounce peaks lower than the last and each dip bottoms lower. The mirror image of an uptrend: descending swing highs and descending swing lows define a downtrend.

LH + LL

Key terms

swing high — A peak where price turns back down, forming a local high point between two lower candles.

swing low — A trough where price turns back up, forming a local low point between two higher candles.

higher high / higher low — Each new peak and trough sits above the last — the defining rhythm of an uptrend.

range — A sideways phase where highs and lows stop progressing and price moves between a floor and a ceiling.

How to read & use it

Mark the swings first

Before anything else, dot the obvious peaks and troughs. Structure only becomes readable once the swing highs and swing lows are labelled on the chart.

Name the structure

Compare each swing to the one before it. Rising highs and lows describe an uptrend; falling ones a downtrend; flat ones a range.

Watch the break

A trend's character changes when price violates the prior swing — an uptrend loses its last higher low, or a range loses its floor.

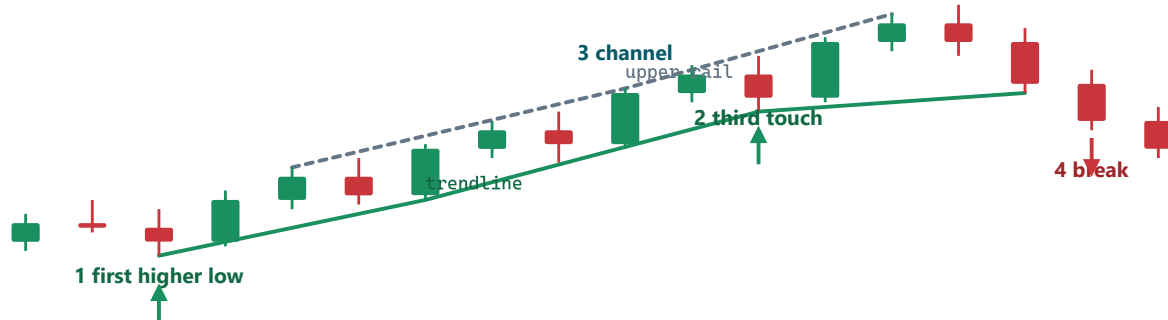
HOW TO READ THIS

Everything Quantreef shows about trend and structure is descriptive, educational context — a way to label what price has already done. It is not a signal, a recommendation, or a prediction of what will happen next.

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.

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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.

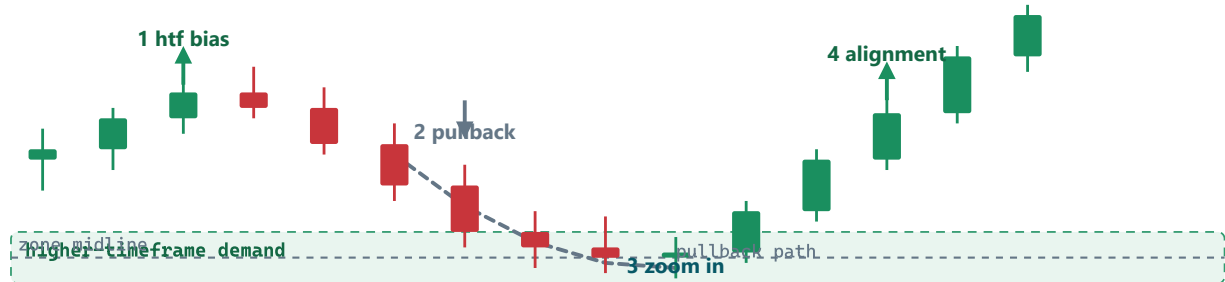
HOW QUANTREEF USES THIS

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.

Timeframes and top-down analysis

The higher timeframe shows the big-picture bias; a lower timeframe shows the smaller moves inside it. Reading them big to small is called top-down analysis.

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PHASE 1 · THE BIG PICTURE

Higher timeframe bias

On a slow, zoomed-out chart, price has been holding above a broad demand area. This wider view sets the context, often called the bias: the direction the larger structure is leaning.

PHASE 2 · THE PULLBACK

Price returns to the zone

Price drifts back down toward that same higher-timeframe demand area. On the big picture nothing has broken; this is simply a pullback into a level that already mattered.

PHASE 3 · ZOOM IN

Lower timeframe detail

Switching to a faster chart reveals a smaller move inside the zone — a brief dip and stabilisation. The lower timeframe adds detail the higher one hides, showing how price behaves up close.

PHASE 4 · ALIGNMENT

The two views agree

The small stabilisation happens right where the big-picture demand sits. When the higher-timeframe context and the lower-timeframe detail point the same way, students describe the timeframes as aligned.

Key terms

Higher timeframe — A zoomed-out chart (each candle covers a longer period) used to read the broad structure and bias.

Lower timeframe — A zoomed-in chart with shorter candles, used to see detail and fine-tune the timing of a move.

Bias — The direction the larger structure appears to lean, based on the higher-timeframe picture.

Alignment — When the higher and lower timeframes point the same way and their stories agree.

How to read & use it

Read big to small

Top-down means starting on the higher timeframe to find context, then zooming in. The order matters: detail makes more sense once you know the bigger picture around it.

Let context frame detail

A small move looks very different depending on where it sits. The same dip means one thing inside a big demand area and another in open space — the higher timeframe supplies that framing.

Alignment is a lens, not a promise

Timeframes agreeing is a way to organise what you see, not a guarantee of what happens next. Markets can move against any read, on any timeframe.

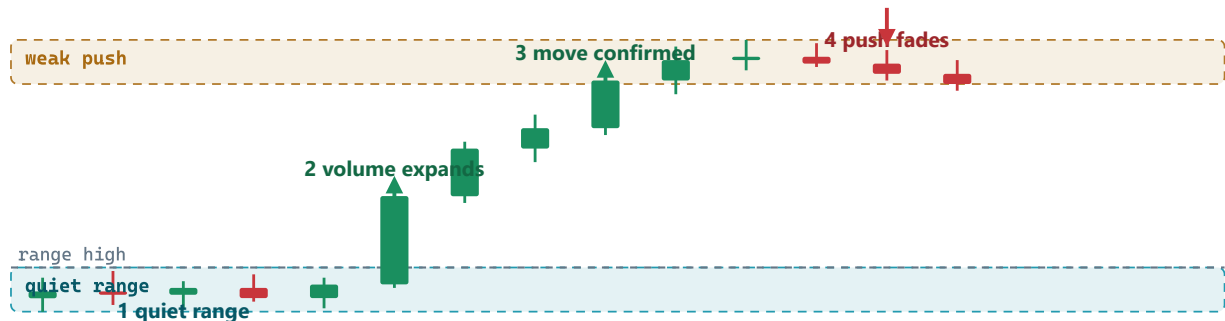
HOW TO READ THIS ON QUANTREEF

Anything Quantreef shows about timeframes or alignment is descriptive context for learning — a way to organise the chart, not a signal, recommendation, or prediction. It never tells you to buy or sell, and it makes no promise about what price will do next.

Volume basics: reading the conviction behind a move

Volume is how many units trade in a period. On its own it says nothing about direction, but paired with price it hints at how much participation, or conviction, sits behind a move.

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PHASE 1 · THE QUIET RANGE

Contraction

Price drifts sideways in a tight band and volume stays low. Fewer units change hands because buyers and sellers roughly agree on value, so each candle is small and overlaps the last. Low, flat volume is the visual signature of a range.

low participation

PHASE 2 · THE EXPANSION

Volume expands

Price pushes out of the range on a much larger candle, and volume rises sharply at the same time. Expanding volume on the breakout candle is what traders mean by conviction: more participants are acting in the same direction at once.

rising participation

PHASE 3 · THE FOLLOW-THROUGH

Move confirmed

The next candles keep progressing and volume stays elevated rather than collapsing straight back. Sustained volume alongside continued price movement is often described as the move being confirmed by participation, not just a single spike.

sustained

PHASE 4 · THE WEAK PUSH

Volume denies

A later attempt higher comes on shrinking candles and fading volume, and price stalls. When a push lacks expanding volume, the move is described as unconfirmed or lacking conviction, and it often gives back ground.

thin

Key terms

Volume — The number of units traded during a set period, drawn as the height of each bar.

Expansion — Volume rising well above its recent average, signalling heavier participation.

Contraction — Volume falling below its recent average, typical of quiet, balanced ranges.

Confirmation — A move on expanding volume, versus one on thin volume that is unconfirmed.

How to read & use it

Compare, don't count

A volume number means little alone. Read each bar against its recent neighbours: is this candle trading on more or less participation than the ones before it?

Pair volume with price

Ask what price is doing at the same time. Expanding volume on a strong candle and contracting volume in a drift tell different stories about conviction.

Watch breakouts closely

A breakout on expanding volume is described as confirmed; one on shrinking volume is often called weak or unconfirmed and may fade back into the range.

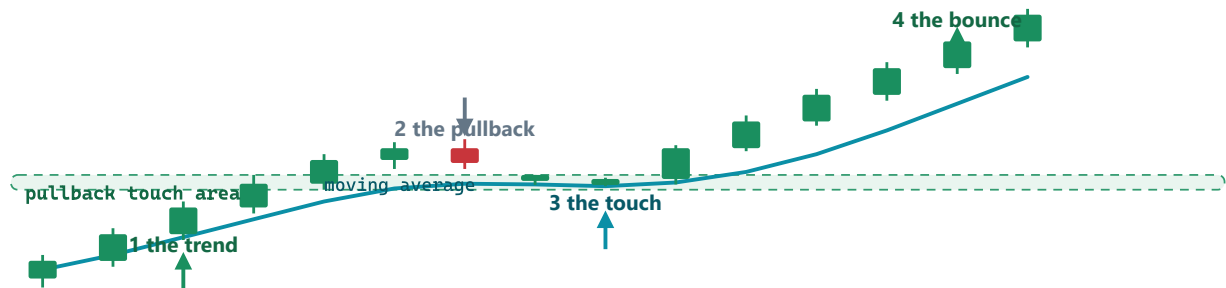
HOW QUANTREEF USES THIS

Where Quantreef highlights volume expansion or contraction, it is descriptive context to help you read the chart and learn the concept. It is educational information, not a signal, recommendation, or prediction, and it never tells you to buy or sell.

Moving averages as dynamic support and resistance

A moving average is the average price over a set number of recent candles, redrawn each candle into a smooth line. When it rises, price often dips back toward it and finds footing there.

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PHASE 1 · THE TREND

Price rides above a rising line

Price makes higher highs and higher lows while the moving average climbs beneath it. Because the average smooths out recent closes, it lags a little and traces the general path of the move rather than every wiggle.

PHASE 2 · THE PULLBACK

Price drifts back down

Buyers pause and price eases lower, moving toward the rising average from above. This is where the line gets tested: price is checking whether the average still sits below it as a floor.

PHASE 3 · THE TOUCH

Price reaches the average

Price meets the rising line and stalls. A moving average is not a physical barrier, so a touch is simply a spot where recent average pricing sits, and where reactions are commonly observed.

PHASE 4 · THE BOUNCE

Price lifts off the line

Price turns back up and away from the average, and the earlier direction continues. When this happens the moving average is described as having held as dynamic support on that pullback.

Key terms

Moving average — The average of closing prices over a set number of candles, recalculated each candle so it forms a sliding line.

Lookback period — How many candles the average uses. A larger number gives a smoother, slower line; a smaller one reacts faster.

Dynamic support — A rising average that price tends to dip toward and lift away from, acting like a floor that moves over time.

Pullback — A temporary move back against the trend, often toward the average, before the prior direction may resume.

How to read & use it

Watch the slope

The direction of the line matters more than the exact value. A rising average is often read as dynamic support; a falling one is often read as dynamic resistance.

A touch is a zone, not a wall

Price rarely reacts at the exact line. The average is better read as a rough area of interest, not a precise price where something must happen.

Context beats the line alone

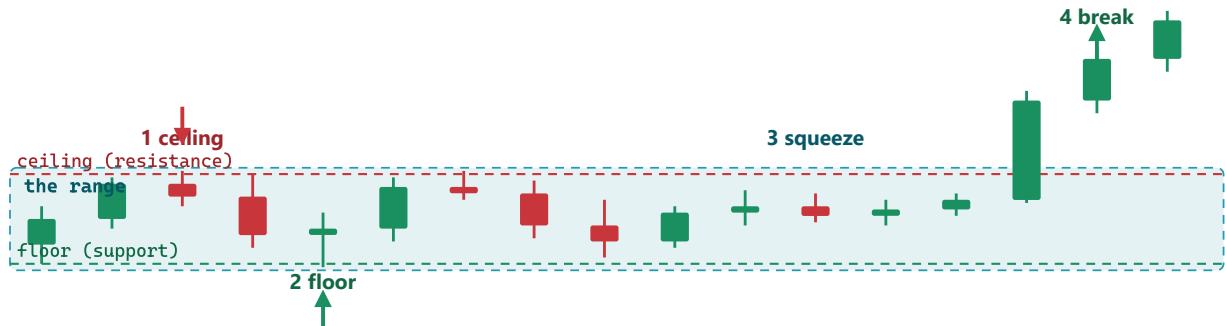
An average is one lens among many. Combining it with structure, higher timeframes, and volume gives a fuller picture than the line by itself.

HOW QUANTREEF USES THIS

When Quantreef highlights a moving average or a pullback toward it, that is descriptive context and education only. It is not a signal, a recommendation, or a prediction about what price will do next, and it is never advice to buy or sell.

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.



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

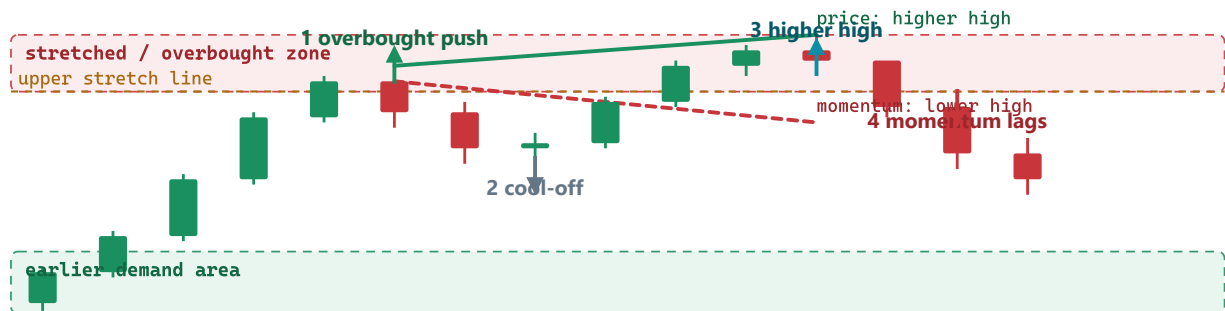
Price can briefly poke past an edge and then fall back inside. A single wick outside the range is weaker evidence than a full candle close beyond it. Watching for follow-through helps read the difference.

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.

reading momentum with RSI

The relative strength index is a momentum gauge that moves between 0 and 100. It tries to answer one thing: how strong has recent buying been compared with recent selling? Here is how to read it.



1

a push into overbought

Price rallies into a first high and RSI climbs above the 70 line. Readings this high just mean the recent up-moves have been large and fast, not that a move is due to end.

2

a cool-off

Price pulls back and RSI eases toward the middle of its range. Momentum has softened but the broader move is still intact, so the reading sits nearer 50.

3

a higher high in price

Price grinds up to a new, slightly higher peak. On the surface this looks like continued strength, and it is where many people expect momentum to confirm the move.

4

divergence: momentum lags

Even though price made a higher high, RSI made a lower high than at point 1. This gap is a bearish divergence: the second push was weaker under the surface, a descriptive sign of fading momentum.

Key terms

oscillator — an indicator that moves inside a fixed range, here 0 to 100, rather than tracking price directly.

overbought / oversold — shorthand for RSI above about 70 or below about 30, meaning recent moves were unusually strong in one direction.

momentum — how quickly and forcefully price has been moving, separate from the direction alone.

bearish divergence — price sets a higher high while RSI sets a lower high, hinting the up-move has less force behind it.

How to read & use it

read the level, not a verdict

Above 70 or below 30 describes stretched momentum. Strong trends can stay overbought or oversold for a long time, so a level alone is context, not a conclusion.

compare the peaks

Divergence is about relationships. Line up a price high with the matching RSI high, then check whether RSI rose or fell versus the prior peak.

pair it with structure

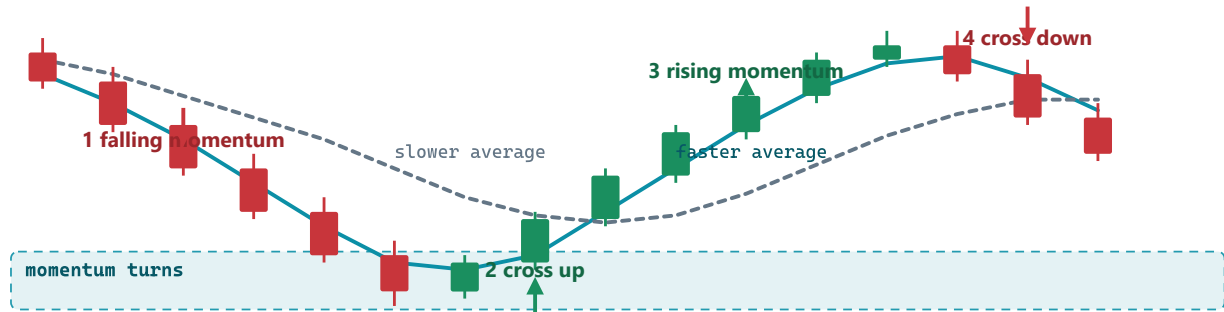
RSI is one lens. Traders usually read it alongside price levels, trend and volume rather than treating any single reading as the whole picture.

HOW QUANTREEF USES THIS

Where Quantreef shows momentum readings like RSI, they are descriptive context to help you learn what the chart is doing. They are educational information, not a signal, recommendation, or prediction, and nothing here tells you to buy or sell.

reading MACD

MACD watches two moving averages of price pull apart and squeeze back together. When they cross, it flags that momentum has shifted. Because it is built from past prices, it tends to confirm a move after it has begun.



01

momentum was falling

Price drifts lower and the faster average sits below the slower one. The gap between them is wide, which describes strong downward momentum in the recent candles.

02

the lines cross up

Price stops falling and turns. The faster average climbs back through the slower one, an upward crossover that flags momentum shifting from down to up.

03

momentum builds

The advance continues and the two averages spread apart on the upside. A widening gap here describes momentum strengthening as price trends higher.

04

the lines cross down

The rally fades and price rolls over. The faster average dips back below the slower one, a downward crossover that arrives after the top, showing the lag.

Key terms

MACD line — the gap between a faster and a slower moving average of price

signal line — a smoothed average of the MACD line that crossovers are measured against

histogram — bars showing the distance between the MACD line and the signal line

crossover — when the MACD line passes through its signal line, up or down

How to read & use it

a cross marks a shift

An upward or downward crossover describes momentum changing direction. It is a description of what already happened, not a promise of what comes next.

watch the histogram

The bars grow as the two lines spread apart and shrink as they converge. Shrinking bars describe momentum fading even while price still moves.

it lags

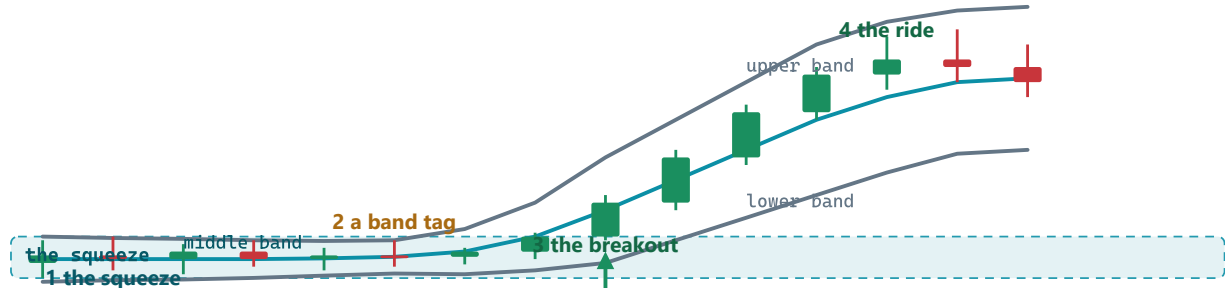
MACD is built entirely from past prices, so its crossovers tend to appear after a turn is under way rather than before it.

HOW QUANTREEF USES IT

Anything Quantreef shows about MACD is descriptive context to help you read momentum. It is education, not a signal, recommendation, or prediction, and it never tells you to buy or sell.

Bollinger bands

Bollinger bands wrap price in three lines: a moving average in the middle and an upper and lower band a couple of standard deviations away. The bands widen when a market moves a lot and pinch when it goes quiet.



1

The squeeze

Price drifts sideways in a narrow range. Because recent moves are small, the standard deviation shrinks and the two bands pull in close to the middle line. A tight squeeze tells you volatility has quietened down.

Bands contract

2

A band tag

During the quiet phase price still drifts up to touch, or tag, a band and then eases back toward the middle. Most candles stay inside the two bands, so a tag is simply price reaching the edge of its recent range.

Price reaches the edge

3

The breakout

A larger candle pushes firmly through one band. The bigger move lifts the standard deviation, so the bands start to widen. A squeeze often comes before this kind of expansion, though the bands do not say which way.

Bands expand

4

The expansion ride

As the move continues, candles hug the outer band while the bands stay wide apart. Eventually the move cools, the bands stop widening, and price begins to settle back toward the middle line again.

Volatility widens

Key terms

Middle band — A moving average of recent closing prices, sitting in the centre of the two outer bands.

Standard deviation — A measure of how spread out recent prices are; it sets how far the bands sit from the middle.

Squeeze — When the bands pinch close together because recent price moves have been small and quiet.

Band tag — When a candle reaches or touches an outer band, marking the edge of price's recent range.

How to read & use it

Read width, not just position

Narrow bands describe a calm, coiled market; wide bands describe an active one. The gap between the bands is the part that carries information about volatility.

Most candles stay inside

By design, price spends most of its time between the two bands. A tag of a band means price is near the edge of its recent range, not that anything is guaranteed to happen next.

A squeeze is context, not a clock

Bands often contract before a bigger move, but they do not say when it will come or which direction it will take. Treat a squeeze as background context about volatility.

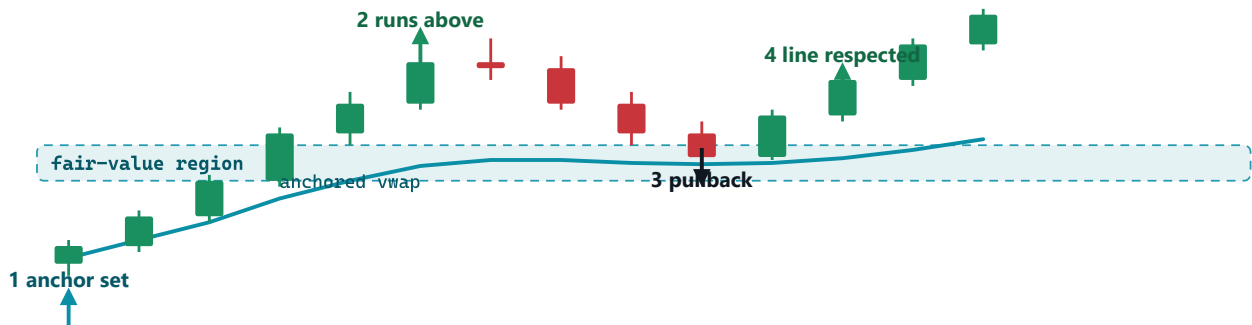
HOW QUANTREEF SHOWS THIS

Where Quantreef displays band width or a squeeze, it is descriptive context to help you read volatility. It is educational information, not a signal, recommendation, or prediction, and it does not tell you to buy or sell anything.

Reading the volume-weighted average price

VWAP is the average price weighted by how much volume traded at each level, measured from a chosen starting point. It draws one line that many chart-readers treat as a moving idea of average price paid.

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1 Set the anchor

An anchored VWAP starts its calculation from one chosen moment, such as a swing low or a session open. From that anchor forward, every candle's price and volume feed the running average.

2 Price runs above the line

As buying builds, price climbs and pulls ahead of the VWAP line. The line rises too but more slowly, because it blends all the volume traded since the anchor rather than just the latest candle.

3 Pullback toward VWAP

Price cools off and drifts back down toward the line. Because the VWAP marks the volume-weighted average paid since the anchor, this is a level many participants watch as a possible area of interest.

4 The line is respected

Here price dips to the VWAP and turns back up, closing above it again. When this pattern repeats, chart-readers describe the line as acting as support, a description of what happened, not a promise it will repeat.

Key terms

VWAP — the average traded price weighted by volume, measured from a starting point forward.

Anchor — the chosen moment a VWAP calculation begins, such as a swing low or session open.

Fair-value reference — the idea that VWAP roughly marks the average price paid by participants since the anchor.

Dynamic level — a reference line that moves candle by candle instead of sitting at one fixed price.

How to read & use it

It moves with the market

Unlike a flat horizontal level, VWAP updates every candle. A pullback to VWAP means price meeting a line that has itself been rising or falling.

Distance can be telling

How far price sits above or below its VWAP describes how stretched it is from the average paid since the anchor. Bigger gaps are simply larger distances, not signals.

The anchor changes everything

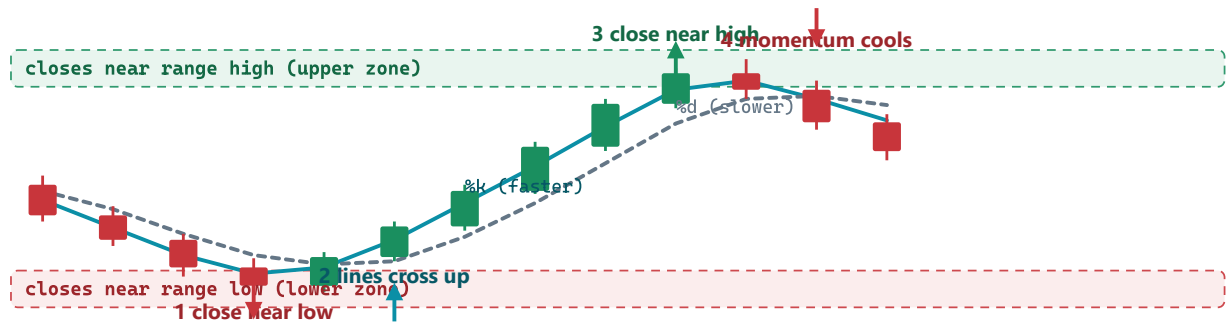
Anchor from a low and from a high on the same chart and you get two different lines. Always note where a VWAP is measured from before reading it.

HOW QUANTREEF USES THIS

On Quantreef, any VWAP line or fair-value context is shown to help you describe and understand price behaviour. It is educational, descriptive context, not a signal, recommendation, or prediction, and it never tells you to buy or sell.

the stochastic oscillator

the stochastic oscillator asks a simple question: where did price close inside its recent range? it turns that answer into two lines that travel between 0 and 100, so you can read momentum at a glance.



1

close sits near the low

price drifts down and each candle closes toward the bottom of its recent range. the oscillator reads low, dropping into the lower zone below 20 that many call oversold.

reading near 20

2

the lines turn up

price steadies and closes creep higher within the range. the faster %k line curls up through the slower %d line, a crossover that describes momentum shifting from down to up.

%k crosses %d

3

close sits near the high

a strong push leaves candles closing near the top of their range. the oscillator climbs into the upper zone above 80, often called overbought, meaning closes are stretched toward the range high.

reading near 80

4

momentum cools off

price stalls and closes slip back from the highs. the two lines roll over and cross downward inside the upper zone, describing momentum easing rather than forecasting any move.

lines roll over

Key terms

%k line — the faster line; measures where the latest close sits within the recent high-to-low range, scaled 0 to 100.

%d line — a smoothed average of %k, so it moves slower and is used as a reference for crossovers.

overbought / oversold — the zones above 80 and below 20; they describe closes stretched near the range's high or low, not a verdict.

crossover — when %k and %d cross; a plain description of the faster line's momentum shifting relative to the slower one.

How to read & use it

read the range, not the price

a high reading just means the close landed near the top of the recent range, and a low reading near the bottom. it says nothing about how far price travelled in dollars.

zones are context, not commands

the oscillator can sit in overbought or oversold for a long stretch during a strong trend. staying in a zone describes persistence, it is not a countdown to a reversal.

watch the two lines together

crossovers of %k and %d are easier to read than either line alone. their gap and direction describe whether momentum is building or fading within the range.

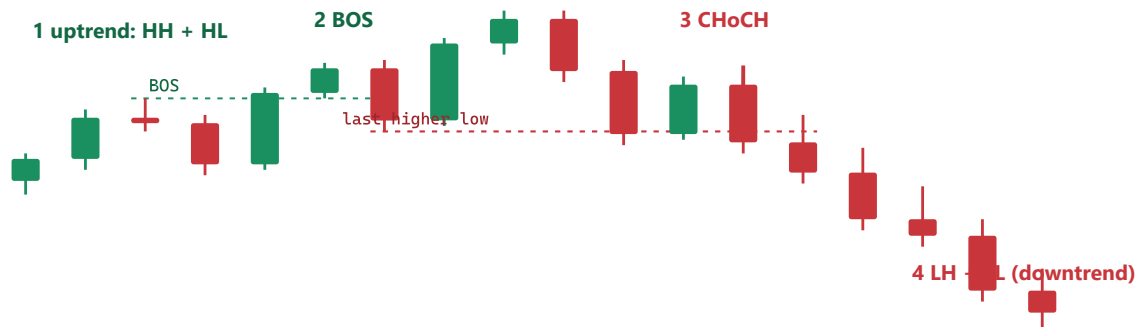
HOW QUANTREEF SHOWS THIS

what quantreef displays is descriptive context and education about where price closed within its range. it is not a signal, recommendation, or prediction, and it does not tell you to buy or sell anything.

Structure — BOS & CHoCH

How to read trend from the sequence of highs and lows — and tell the difference between a trend continuing and a trend turning.

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market microstructure



PHASE 1 · THE TREND

Highs & lows

An uptrend is higher highs and higher lows; a downtrend is lower highs and lower lows. That sequence is the trend.

PHASE 2 · BOS

Continuation

Break of structure: price closes beyond the last swing high (up-trend) or low. It confirms the trend is still running.

PHASE 3 · CHoCH

The shift

Change of character: the first break against the trend — an uptrend breaking its last higher low. The earliest hint of a turn.

PHASE 4 · NEW TREND

Character → trend

After a CHoCH, structure flips: lower highs and lower lows take over. The character changed first, then the trend followed.

Key terms mark your swing points

HH / HL — higher high & higher low — the signature of an uptrend.

LH / LL — lower high & lower low — the signature of a downtrend.

BOS — break of the prior swing in the trend's direction = continuation.

CHoCH — the first break against the trend = possible reversal, not yet confirmed.

Reading & using structure

BOS = keep going

Each break of structure in-trend re-arms the move. Trading with the last BOS keeps you on the dominant side.

CHoCH = warning, not reversal

A CHoCH is the first evidence a trend may be ending — not proof. Confirmation is a fresh opposing BOS after it.

How to use it

Mark the last protected high/low. While it holds, trend is intact; a decisive close through it changes your read.

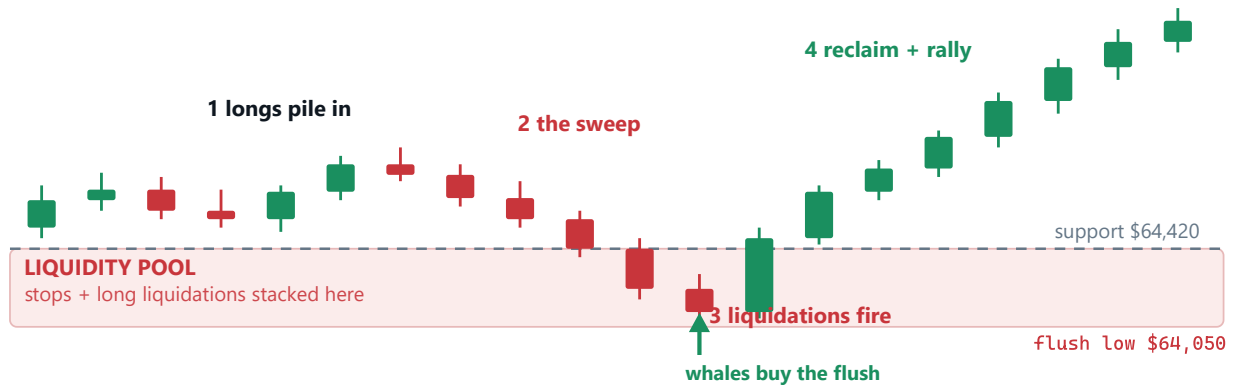
HOW QUANTREEF SHOWS THIS

Quantreef reads structure from **real 4H / 1D pivots** and describes the **current** state (trend, last BOS/CHoCH). It reports what structure *is* — it does not predict the next break or tell you to trade.

Anatomy of a liquidation sweep

A stop hunt isn't random volatility — it's a liquidity raid. Price is pushed to where the crowd's stops and forced liquidations are stacked, that fuel is burned, and the coins change hands cheap.

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PHASE 1 · THE BAIT

Longs pile in

BTC ranges above \$64,420 support. Retail buys near \$64,700; everyone's stops land in the same place — just below support.
stops → \$64,350

PHASE 2 · THE PUSH

The sweep

A large player drives price down through support in a fast wick. Breaking support is the point — it aims at the fuel.
wick → \$64,050 · -1.0%

PHASE 3 · THE FLUSH

Liquidations fire

Stops trigger; 50–100× longs are force-liquidated. Forced selling is free liquidity that whales' resting bids absorb.
at 100× = -100% margin

PHASE 4 · SNAP-BACK

Reclaim + rally

Weak hands gone, coins accumulated cheap. Price reclaims \$64,420 and rallies. Retail wiped; smart money long from the low.
rally → \$65,400 · +2.1%

The ledger — who paid whom one 2-BTC flush · illustrative

	Retail long	100× long at \$64,700 on \$200 margin. No room — force-liquidated at \$64,053.	-\$200 -100% margin
	Whale / MM	Resting bids in the pool. Bought 2 BTC from forced sellers at \$64,150, sold the reclaim at \$65,400.	+\$2,500 +\$1,250 / BTC
	The exchange	Taker fees in & out, a liquidation penalty, and the insurance-fund gap to bankruptcy price.	+\$310 fees · always

Who actually profits

Whales & market makers	WINNER
The counterparty to your forced sale. Perps are near zero-sum, so your liquidated margin becomes their cheap fill.	
The exchange	ALWAYS
Wins either direction: fees, liquidation penalty, insurance fund. More liquidations = more revenue.	
The trigger-puller	OPTIONAL
Sometimes a whale pushes price into a known cluster on purpose — the magnet effect. Often it's just bots cascading.	

The whale took the retail trader's money — directly, as the counterparty to the forced sale. The exchange took a cut from everyone. The market didn't move against the trader by accident; the trader *was* the target.

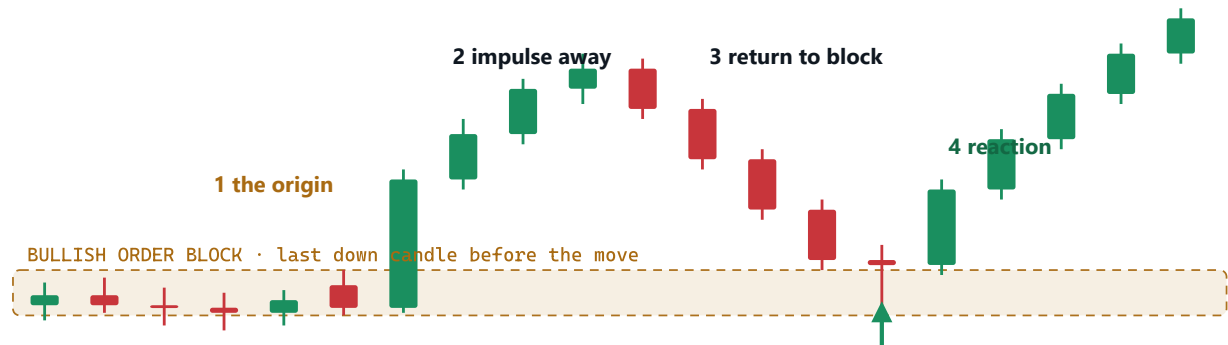
Don't be the liquidity

- Never stack your stop at the obvious level.** Just below support is the densest part of the pool. Give it room, or place it beyond a sweep's reach.
- Leverage is the trigger.** At 100× a 1% wick is a full liquidation; at 3–5× the same wick is survivable.
- Bright bands are magnets, not walls.** A thick cluster attracts price because that's where big orders fill. Treat obvious levels as targets.
- Let the sweep happen, then react.** The higher-probability move is often the reclaim *after* the flush — not chasing the break.

Order blocks

The last opposing candle before a strong move — the institutional footprint price so often comes back to.

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PHASE 1 · THE ORIGIN

The last candle

The final opposing candle before a strong impulse: the last down candle before a rally (bullish OB), or last up candle before a drop.

PHASE 2 · THE MOVE

Impulse away

Price leaves the block fast — often leaving a fair value gap too. Big orders filled here; more may rest unfilled.

PHASE 3 · THE RETURN

Back to the block

Later price retraces to the block to fill the rest of that demand (bullish) or supply (bearish).

PHASE 4 · REACTION

Hold or break

If orders still rest there, price reacts and continues. A decisive close through it means the block is spent.

Key terms use the whole candle range

Bullish OB — last down candle before an up-impulse = a demand zone below.

Bearish OB — last up candle before a down-impulse = a supply zone above.

Origin range — the block is the candle's full range (body + wick), used as a zone.

OB + FVG — the strongest blocks launch a move that also leaves a gap — overlapping zones.

Why it works & how to use it

Why price returns

Unfilled institutional orders rest at the origin. Price is drawn back to that liquidity to fill them before continuing.

Order block vs. FVG

The OB is the **candle** that caused the move; the FVG is the **gap** the move left behind. When they overlap you get a high-value zone.

How to use it

Treat the block as a zone, look for a reaction on the tag, and invalidate on a decisive close all the way through it.

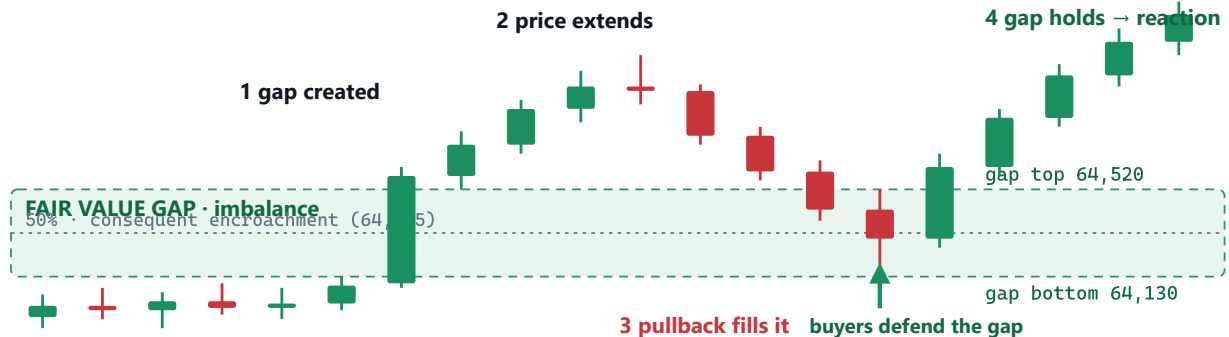
A NOTE ON THESE CONCEPTS

Order blocks are a **descriptive market-structure idea** shown here for learning. Quantreef surfaces structure and levels as **context** — not trade signals, guarantees, or predictions of the next move.

Anatomy of a fair value gap

When price moves so fast it skips levels, it leaves an un-traded gap — an imbalance. The market tends to return later to rebalance it. Here's how an FVG is created, and how it gets filled.

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PHASE 1 · CREATION

The gap is created

A fast, one-sided move over three candles: a normal candle, a big impulse, then continuation — so quick that no trading happens in the middle.

gap = C1 high → C3 low

PHASE 2 · EXTENSION

Price runs on

The move continues and leaves the gap behind as un-traded "fair value" — unfinished business sitting below price.

gap 64,130 – 64,520

PHASE 3 · THE FILL

Pullback rebalances

Later, price retraces into the gap to fill the inefficiency. The 50% level — consequent encroachment — is the one to watch.

50% → 64,325

PHASE 4 · REACTION

Gap holds or breaks

If the imbalance still matters, buyers defend the gap and price bounces — it acted as support. A decisive close through = filled and spent. bounce → continuation

The three-candle rule gap = the un-traded space



Bullish FVG

Gap between **candle 1's high** and **candle 3's low**. C3's low never trades down to C1's high — that space is the gap. Acts as demand / support below.



Bearish FVG

Mirror image: gap between **candle 1's low** and **candle 3's high** after an impulsive drop. Acts as supply / resistance above.

Why it forms & how it fills

Why it forms

Aggressive one-sided order flow with thin opposing liquidity — price skips levels. Common at breakouts, news spikes, and right after a liquidity sweep.

How it fills (mitigation)

Price tends to retrace to rebalance the inefficiency. A tag of the 50% (consequent encroachment) is often enough; a move through the far edge is a **full fill** — the gap is closed and spent.

How traders use it

Treat the gap as a support/resistance **zone**, not a line. Look for a reaction on the tag; a decisive close straight through it invalidates the zone.

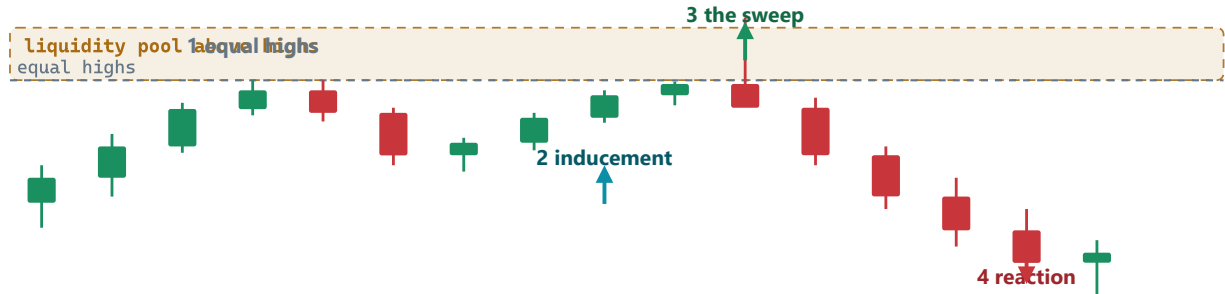
WHAT THE % ON QUANTREEF'S FVG CARD MEANS

It is a **descriptive base rate** from public price history — how often gaps like this one have been filled before. It is **context, not a prediction**, and not an engine probability or a trade instruction. A high fill-rate tells you the gap is likely to get revisited eventually; it says nothing about *when*, or which direction pays.

Liquidity and inducement

Resting orders gather just above obvious highs and below obvious lows. An inducement is a tempting level that lures traders in right before price reaches for that liquidity. Mechanics only, not advice.

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PHASE 1 · THE OBVIOUS LEVEL

Liquidity builds up

Price makes two highs at almost the same spot. This obvious level looks like a ceiling, so stop orders and breakout orders pile up just above it. That cluster of resting orders is a liquidity pool.

PHASE 2 · THE BAIT

Inducement pulls traders in

A tidy pullback and a small push higher make the level look ready to break. This inviting move is the inducement: it encourages traders to enter and to place stops in predictable places, feeding the pool above.

PHASE 3 · THE SWEEP

Resting orders are taken

Price spikes just past the highs, triggering the resting orders in one quick move, then closes back below. The pool has been tapped. This is often called a liquidity sweep or stop run.

PHASE 4 · THE REACTION

Price moves the other way

With the pool absorbed and late buyers now offside, price rotates back down through the level. The obvious ceiling that looked like a breakout became the trap. Describes a mechanic, not a forecast.

Key terms

Liquidity pool — A cluster of resting orders, typically just above prior highs or below prior lows.

Inducement — An obvious, inviting level used as bait to pull traders in before the real move.

Liquidity sweep — A quick spike past a level that triggers resting orders, then reverses.

Equal highs — Two or more highs near the same price, making the level look like a firm ceiling.

How to read & use it

Mark the obvious levels

Note where recent equal highs or equal lows sit. Those visible levels are where resting orders tend to gather, so they are natural spots to watch for a sweep.

Watch the wick, not just the break

A push past a level that quickly closes back inside behaves differently from a clean hold above it. The long wick hints the pool was tapped rather than a level truly giving way.

Separate bait from move

An inviting level is not the same as direction. Treat inducement as context about where orders rest, never as a prompt to act on money.

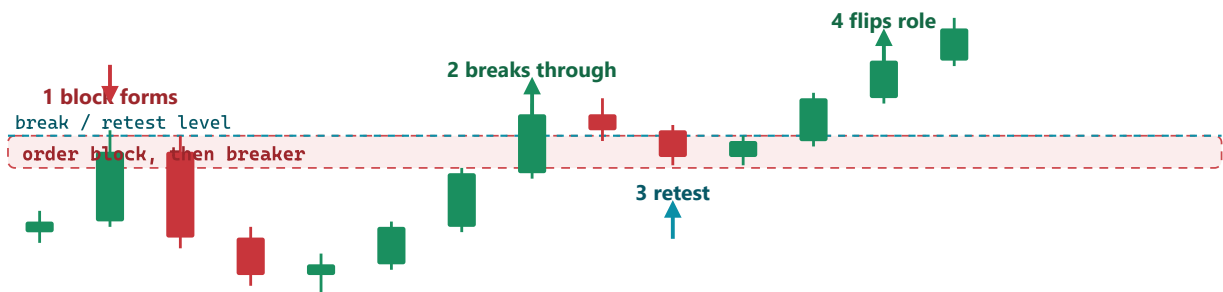
HOW QUANTREEF SHOWS THIS

Where Quantreef highlights liquidity pools or a possible sweep, it is descriptive market-structure context for learning, not a signal, recommendation, or prediction. Nothing here is trading advice.

When an order block fails: the breaker block

A breaker block is an order block that failed — price broke clean through it. When price returns, that same zone can flip roles: old resistance acting as support, or the reverse. Mechanics only, not advice.

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PHASE 1 · THE SETUP

An order block forms

Before a sharp move, price pauses in a small zone — the last cluster of candles before it drops. Here it sits overhead as a supply area, and the drop away from it seems to confirm it as resistance.

zone marked overhead

PHASE 2 · THE BREAK

Price breaks through it

Instead of getting rejected again, price rallies back and closes clean through the zone. The area that was meant to cap price has failed. A failed order block like this is what can later become a breaker block.

close beyond zone

PHASE 3 · THE RETURN

Price comes back to retest

After breaking out, price often drifts back down to the same failed zone. This is the retest. The question the chart is asking: will the old resistance now behave differently on the way back?

pullback into old zone

PHASE 4 · THE FLIP

It flips its role

The zone holds from the other side — old resistance now acts as support — and price lifts away. That role reversal is the whole idea of a breaker block: a level that changed which side it defends.

role reversed

Key terms

order block — the last candle cluster before a sharp move, watched as a supply or demand zone.

break of structure — a close beyond a prior swing that says the earlier zone failed to hold.

retest — price returning to a broken zone to test how it behaves from the other side.

role reversal — a level switching jobs — old resistance acting as support, or the reverse.

How to read & use it

Spot the failure first

There is no breaker without a break. The zone is one price closed decisively through, not one that was merely tapped and then rejected.

Watch the retest, not the break

The concept only becomes visible when price returns to the failed zone. How the zone behaves on that return is what defines it as a breaker.

Direction matters

A failed supply zone can flip to support; a failed demand zone can flip to resistance. The flip is always toward the direction of the break.

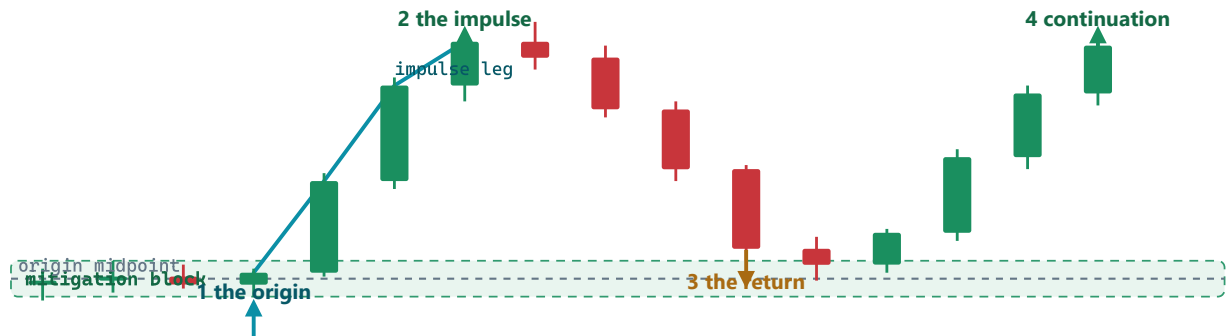
HOW QUANTREEF USES THIS

When Quantreef highlights a breaker block, it is showing descriptive, educational context about market structure — where a zone failed and later flipped. It is not a signal, a recommendation, or a prediction of what price will do next, and it is not advice about what to do with money.

Where trapped traders get a second chance: mitigation blocks

A mitigation block is the origin area of a strong move where some orders were left unfilled or offside. Price can drift back into it so those orders get mitigated. Mechanics only.

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PHASE 1 · THE ORIGIN

A move begins

Price consolidates, then a decisive candle pushes away from a small area. That last candle before the push becomes the origin. Not every resting order there got filled, so an unfinished pocket is left behind.

PHASE 2 · THE IMPULSE

Price runs away

A fast expansion carries price well above the origin. Traders caught on the wrong side, or who never got their full fill, are now stranded. The origin area sits untouched below.

PHASE 3 · THE RETURN

Price comes back

Momentum fades and price rotates back down into the origin area. Here the earlier unfilled or offside orders can finally be mitigated, meaning they get the fill or exit they were waiting for.

PHASE 4 · CONTINUATION

The move resumes

Once the area is mitigated, pressure from the pullback can fade and price often moves back in the direction of the original impulse. The block has acted as a reaction area.

Key terms

Mitigation block — The origin area of a strong move that price returns to so earlier unfilled or offside orders can be settled.

Mitigate — To let a resting or trapped order finally get its fill or its exit at the level it was waiting for.

Origin candle — The last candle before an impulsive move; its range marks where the block is drawn.

Impulse leg — The fast, one-directional expansion that leaves the origin area behind untouched.

How to read & use it

Find the origin first

Look for a sharp move, then trace back to the small area it launched from. That area, not a random level, is the candidate block.

Watch the reaction, not the touch

A tag of the area alone means little. Observers study how price behaves inside it: stalling and rejecting is more telling than a clean slice through.

A break changes the read

If price closes decisively through and beyond the area, the block is treated as failed or spent, and the earlier story no longer applies.

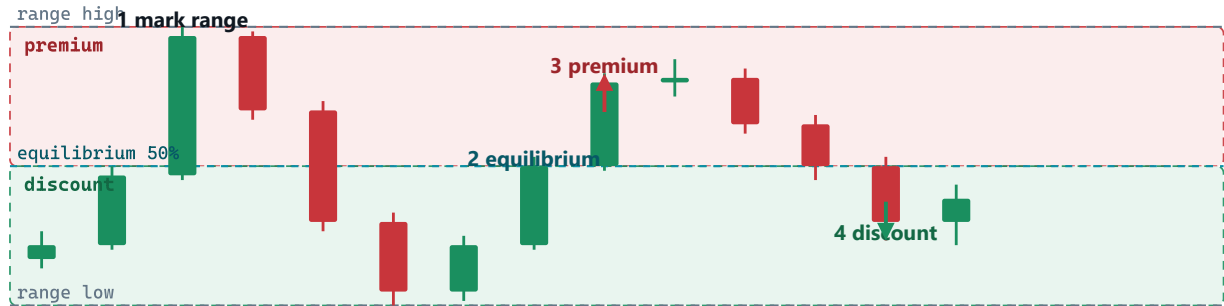
HOW QUANTREEF USES THIS

Quantreef highlights mitigation areas as descriptive, educational context to help you read structure. It is not a signal, recommendation, or prediction, and it does not tell you to buy or sell. Always do your own research.

Premium & discount

Traders mark a price range from its swing low to its high, then split it in half. The upper half is premium, the lower half discount. This handout shows how that midpoint frames where price sits.

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PHASE 1 · MARK THE RANGE

Find the range

Pick a clear swing low and a clear swing high and draw a line at each. The space between them is the range you measure everything else against.

low 60,000 · high 66,000

PHASE 2 · EQUILIBRIUM

Split it at 50%

Draw a line at the exact midpoint of the range. This 50% level is called equilibrium, and it divides the range into two halves.

eq 63,000

PHASE 3 · PREMIUM

Above the middle

Any price in the upper half sits in premium, meaning it is relatively expensive within this range. It is simply the more expensive side of the midpoint.

above 63,000

PHASE 4 · DISCOUNT

Below the middle

Any price in the lower half sits in discount, relatively cheap within this range. The deeper part of this half is sometimes labelled the optimal entry area.

below 63,000

Key terms

range — The distance between a chosen swing low and swing high on the chart.

equilibrium — The 50% midpoint of the range; the line dividing premium from discount.

premium — The upper half of the range, where price sits relatively high within it.

discount — The lower half of the range, where price sits relatively low within it.

How to read & use it

Read the two halves

Above the 50% line is premium, below it is discount. The label is relative to this one range only, not a judgement of true value.

The optimal entry idea

The deeper discount or premium areas are sometimes called an optimal entry zone. It is just a way to describe location within the range, not an instruction to act.

Ranges get redrawn

When price prints a fresh high or low, the range and its midpoint must be redrawn. The zones are only as current as the range you marked.

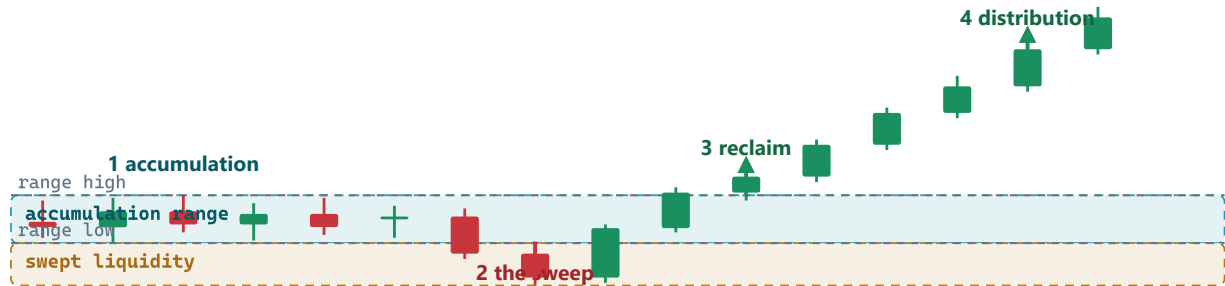
HOW QUANTREEF SHOWS THIS

In Quantreef, premium and discount zones are drawn as descriptive context to help you read market structure. They are educational information, not a signal, recommendation, or prediction about what price will do next.

The market-maker model (AMD)

A lot of price action follows a repeating three-act shape: a quiet range, a sharp fake move that traps traders, then the real trend. Spotting the three acts helps you read charts more calmly.

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PHASE 1 · THE RANGE

Accumulation

Price drifts sideways inside a fairly tight band, with clear highs and lows. Nothing looks decisive, so many traders get bored or place stops just outside the range edges. This quiet zone is where positions quietly build up.

PHASE 2 · THE FAKEOUT

Manipulation

Price pokes sharply out of the range, often below the obvious lows, and triggers a burst of stop orders. It looks like a breakdown, but the move does not follow through. This quick sweep gathers the orders resting beyond the range.

PHASE 3 · THE SHIFT

Reclaim

Price snaps back inside the range and pushes past the opposite edge. The failed breakdown flips into an upside break. This reclaim is the first hint that the earlier move was a trap rather than a genuine trend.

PHASE 4 · THE TREND

Distribution

Now the sustained move plays out, candle after candle in one direction. This is the leg most people wanted to catch, but it only becomes obvious after the range and the sweep have already done their work.

Key terms

Accumulation — A sideways range where price coils in a band before a larger move, showing little clear direction.

Manipulation — A fast push beyond the range that triggers resting stop orders, then fails to follow through.

Distribution — The sustained trend leg that unfolds after the range and fakeout are complete.

Liquidity sweep — A quick spike through an obvious high or low that fills clustered orders sitting just beyond it.

How to read & use it

Mark the range first

Before anything else, note the high and low of the sideways band. The clearer those edges are, the more attention they draw and the more orders tend to rest just beyond them. The range is your reference for everything that follows.

A sweep is not a trend

A sharp poke past the range that immediately reverses is a fakeout, not confirmation. A single spike beyond an obvious level is information about where orders sat, not proof the move will continue.

The reclaim completes the story

The pattern only completes once price snaps back and breaks the opposite side. Seeing the reclaim after the sweep is what separates reading the structure from guessing at the low or high.

HOW QUANTREEF USES THIS

Anywhere Quantreef highlights range edges, sweeps, or trend context, it is offering descriptive, educational context about market structure. It is not a signal, a recommendation, or a prediction of what price will do next, and nothing here is trading or financial advice.

Supply and demand zones

A supply or demand zone is an area price left in a hurry. When a market pauses in a tight range and then bursts away, orders were likely filled all at once, leaving more waiting behind.

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1

The base forms

Price moves sideways in a tight range for several candles. Buyers and sellers are roughly balanced, and resting orders quietly pile up in this narrow area.

2

The sharp move away

Price suddenly bursts out of the base with one or more large candles. The speed suggests waiting orders were filled quickly, and some interest was left behind unfilled.

3

The zone is marked

The base that launched the move becomes a demand zone below price. It is drawn as a band from the top to the bottom of that original tight range.

4

Revisit and reaction

Later, price drifts back down into the zone. Because leftover buy interest may still rest there, price often shows a visible reaction on this first touch.

Key terms

Demand zone — An area below price where a sharp rally began, suggesting resting buy interest may remain.

Supply zone — An area above price where a sharp drop began, suggesting resting sell interest may remain.

Base — The tight sideways range that forms just before a sharp move away from an area.

First revisit — The first time price returns to a zone after leaving it, when leftover interest is most likely intact.

How to read & use it

Look for the launch

A zone is only interesting if price left it sharply. A slow, gradual drift away is weaker evidence that orders were stacked there.

Draw the band, not a line

Mark the zone from the top to the bottom of the base range. Price can react anywhere inside the band, not only at one exact price.

Fresh zones fade

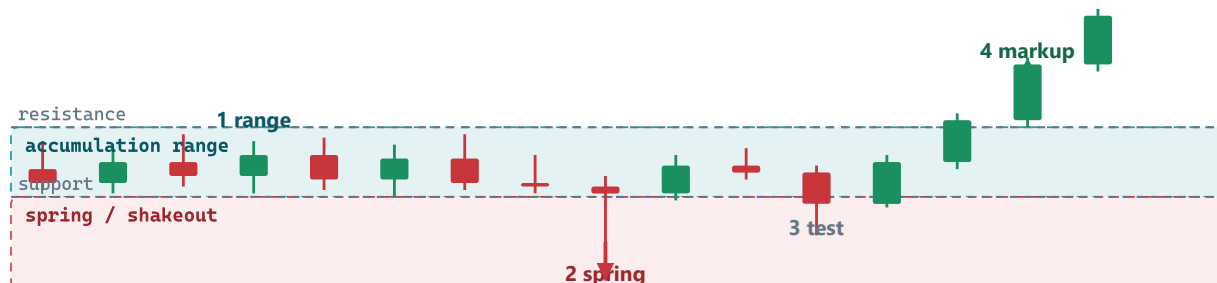
Each time price revisits a zone, leftover orders get used up. A zone that has been touched several times carries less descriptive weight.

HOW QUANTREEF USES THIS

Quantreef highlights supply and demand zones as descriptive context to help you read structure. These highlights are educational information about where price previously moved sharply, not a signal, recommendation, or prediction about what price will do next.

The Wyckoff range and spring

The Wyckoff method describes how large players may quietly build a position inside a sideways range before a trend begins. This chapter walks through the range, the spring, the test, and the markup.



1 Accumulation range

After a fall, price stops trending and drifts sideways between a rough floor (support) and ceiling (resistance). Big buyers are thought to absorb supply slowly, so the range looks calm and directionless.

2 The spring

Price dips briefly below the range floor, tripping stops and tempting sellers, then snaps back inside. This false break lower is the classic spring; a shakeout that clears weak hands before the move.

3 The test

Price returns toward the spring low on lighter effort and holds above it. A successful test suggests few sellers are left, confirming the floor rather than breaking it.

4 Markup

Price pushes up through the range ceiling and begins a rising sequence of higher highs and higher lows. This markup phase is where the earlier range often resolves into a trend.

Key terms

Accumulation — A sideways range where buying is thought to quietly absorb supply before a rise.

Spring — A false break below the range floor that snaps back inside, shaking out sellers.

Test — A lighter revisit of the spring low that holds, checking whether sellers remain.

Markup — The rising phase after the range, showing higher highs and higher lows.

How to read & use it

Frame the range first

Before looking for a spring, mark the rough floor and ceiling of the sideways move. The concept only makes sense once you can see the boundaries price is respecting.

A spring is a break that fails

The idea rests on price poking below support and then closing back inside. A break that keeps falling is simply a breakdown, not a spring.

Read it as one story

Range, spring, test, then markup form a sequence. Seeing them together as structure is more informative than reacting to any single candle.

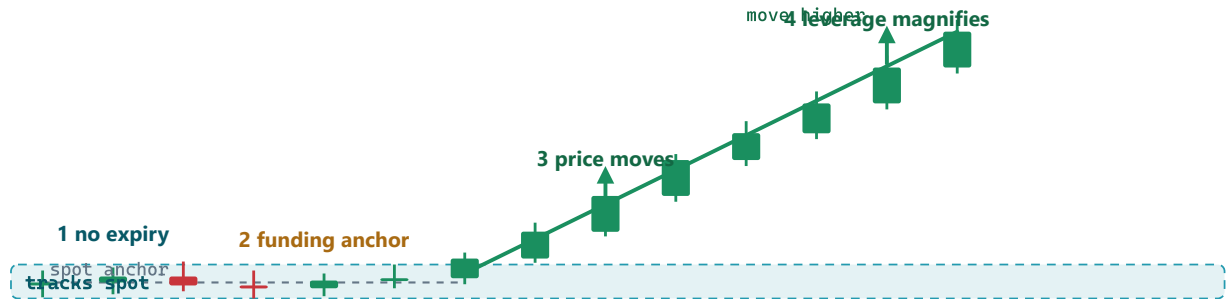
HOW QUANTREEF SHOWS THIS

Anything Quantreef labels as a range, spring, or phase is descriptive educational context to help you read structure. It is not a signal, recommendation, or prediction of what price will do next, and nothing here is trading advice.

What is a perpetual future?

A perpetual future ("perp") is a contract that tracks an asset's spot price but never expires. A payment called funding keeps it near spot, and you can hold a long or a short. An educational walkthrough.

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PHASE 1 · NO EXPIRY

It never settles

Unlike a dated future, a perp has no settlement date. The contract just keeps trading, so a position can stay open for minutes or months. Its price is meant to shadow the underlying spot market rather than a far-off delivery date.

PHASE 2 · FUNDING

Funding anchors it to spot

Because there is no expiry to force convergence, a periodic payment called funding does that job. When the perp trades above spot, longs pay shorts; when it trades below, shorts pay longs. This pressure keeps the perp price near spot.

PHASE 3 · LONG OR SHORT

Price moves, both sides exist

A perp lets you take a long (you gain if price rises) or a short (you gain if price falls). Here spot makes a clean move higher, so the perp tracks it up. A long follows the move up; a short would move the opposite way.

PHASE 4 · LEVERAGE

Leverage magnifies the move

Perps let you post a fraction of a position's value as margin, so a given percent move in price changes your balance by a larger percent. Leverage magnifies gains and losses alike, and can trigger liquidation.

Key terms

perpetual future — a derivative contract that tracks spot price and has no expiry or settlement date

funding rate — a periodic payment between longs and shorts that nudges the perp price back toward spot

leverage — posting only a fraction of a position's value as margin, magnifying both gains and losses

long / short — a long profits if price rises; a short profits if price falls

How to read & use it

What the gap to spot means

If a perp drifts far from spot, funding is the force meant to pull it back. A persistent gap tells you which side is currently paying to hold the position.

Read leverage as a multiplier

At higher leverage a small percent move in price becomes a large percent move in your margin, in either direction, and raises the chance of liquidation.

Direction is a choice, not a call

A perp simply lets you express up or down. Understanding that both sides exist is different from deciding which way price will go.

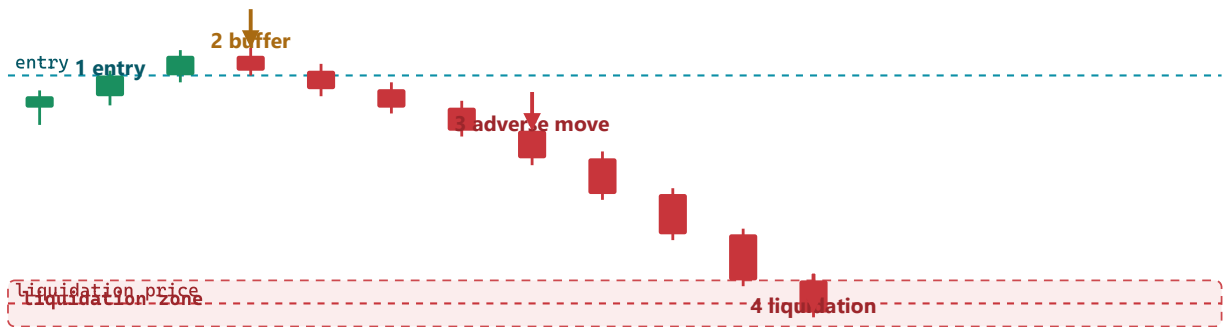
HOW TO READ THIS

What Quantreef displays about perps is descriptive context and education, not a signal, recommendation, or prediction. Nothing here tells you to open, close, or size a position, and none of it is a forecast of future prices.

Leverage and your liquidation price

Leverage lets a small deposit control a larger position. It magnifies gains and losses equally and pulls the level where a position is force-closed much closer to entry. Mechanics only, no advice.

QUANTREEF
market microstructure



PHASE 1 · THE POSITION

Entry with borrowed size

A small amount of margin plus leverage controls a much larger position. Higher leverage means a bigger position for the same deposit, and a thinner cushion before losses eat into the margin.

PHASE 2 · THE BUFFER

Where liquidation sits

The liquidation price is the level where losses roughly equal the margin. At high leverage it sits only a small percentage away from entry; at low leverage it sits much further away, leaving more room.

PHASE 3 · ADVERSE MOVE

Price drifts against the position

Price ticks down toward the liquidation band. Because the buffer is thin on a high-leverage position, even a small percentage move covers most of the distance to that level.

PHASE 4 · LIQUIDATION

Forced close

Price touches the liquidation level and the position is automatically closed to cap further loss. A move that would be minor for a spot holding can wipe a high-leverage position entirely.

Key terms

Leverage — A multiplier that lets a small margin deposit control a larger position size.

Margin — The funds posted as collateral to open and hold a leveraged position.

Liquidation price — The level where losses roughly equal the margin and the position is force-closed.

Maintenance buffer — The distance from entry to liquidation; it shrinks as leverage rises.

How to read & use it

Distance matters as much as entry

How far the liquidation level sits from entry, as a percentage, is the room for error a position has. That gap narrows fast as leverage climbs.

Same move, different outcome

A 2% dip barely dents a low-leverage position but can fully close a high-leverage one. The market move is identical; leverage decides the impact.

Leverage cuts both ways

The multiplier that enlarges a favorable move enlarges an adverse one by the same factor. It changes the size of outcomes, never their direction.

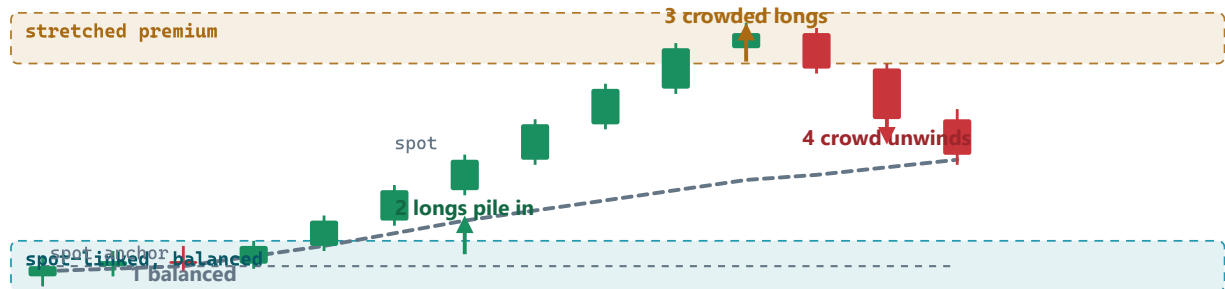
HOW QUANTREEF SHOWS THIS

Any leverage or liquidation-level context Quantreef displays is descriptive education about how the mechanics work, not a signal, recommendation, or prediction. It never tells you to open, close, or size a position.

Funding rates

A perpetual contract has no expiry, so a small recurring payment between longs and shorts keeps its price tethered to spot. The size and sign of that payment quietly describe how the crowd is leaning.

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market microstructure



PHASE 1 · BALANCED

Perp tracks spot

Perp price and spot sit close together. Funding stays near neutral, so neither longs nor shorts pay much. This is the calm, tethered baseline the mechanism is built to maintain.

funding ≈ 0

PHASE 2 · DEMAND BUILDS

Longs pile in

Price rallies and more traders open leveraged longs. Perp starts trading above spot, so funding turns positive: longs begin paying shorts each period to hold the perp closer to spot.

funding > 0

PHASE 3 · VERY POSITIVE

Crowded, over-leaned

Funding runs strongly positive and the perp premium stretches. This describes a market leaning heavily one way. Educationally, one-sided crowding is a caution flag, not a call about what happens next.

funding $\gg 0$

PHASE 4 · NORMALIZATION

The crowd unwinds

As leveraged longs close or get squeezed, the premium compresses and funding drifts back toward neutral. Price and funding re-tether to spot, completing the cycle the payment is designed to enforce.

funding $\rightarrow 0$

Key terms

Perpetual (perp) — A futures-style contract with no expiry date, kept near spot by funding.

Funding rate — The small periodic payment exchanged between long and short holders.

Premium — The gap between the perp price and the underlying spot price.

Crowded positioning — When most open interest leans one way, shown by strongly one-sided funding.

How to read & use it

Read the sign

Positive funding means longs pay shorts (perp above spot); negative means shorts pay longs. The sign tells you which side is currently leaning harder.

Watch the magnitude

Near-zero funding is a balanced, tethered market. Very large readings describe crowded, over-leaned positioning that has historically been less stable.

Treat extremes as context

A stretched funding reading is a descriptive caution about crowding, not a prediction. It is one piece of context among many, never a standalone reason to act.

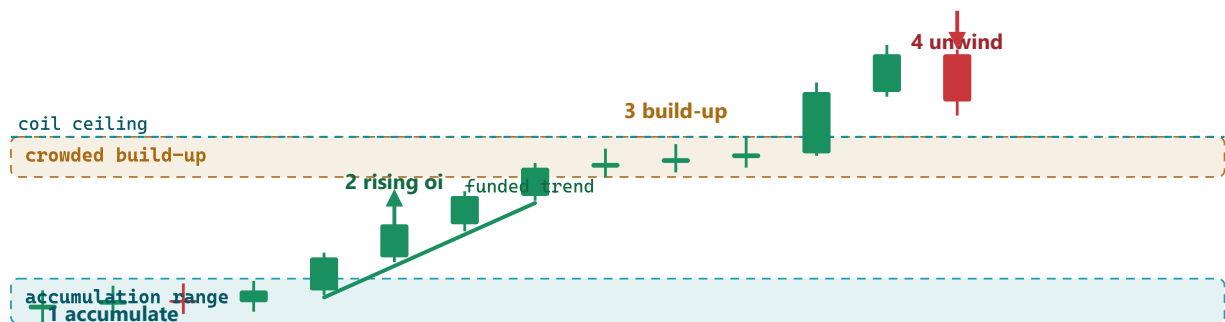
HOW QUANTREEF USES THIS

Anything Quantreef shows about funding is descriptive context and education about how the crowd is leaning. It is not a signal, recommendation, or prediction, and nothing here is trading or investment advice.

Open interest: reading the money that stays committed

Open interest counts the derivative contracts still open right now. It is a running tally of money committed to positions, and watching it rise or fall next to price hints at whether a move is being funded or unwound.

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market microstructure



PHASE 1 · THE BASE

Positions accumulate

Price drifts in a quiet range while open interest slowly climbs. New contracts are opening, so money is being committed even though the candles look calm. A larger pool of open positions is being built up beneath the surface.

PHASE 2 · THE DRIVE

Rising oi, rising price

Price trends up and open interest rises with it. Fresh contracts are funding the move rather than old ones simply changing hands, which is often described as conviction behind the direction.

PHASE 3 · THE CROWDING

Build-up before a squeeze

Price stalls in a tight coil while open interest keeps stacking. A lot of positions now sit close together. Crowded, one-sided positioning is the fuel a squeeze can later burn through.

PHASE 4 · THE UNWIND

Falling oi, positions close

A sharp move forces crowded positions to exit, and open interest drops as those contracts close. Falling open interest means money is leaving, so the move is being unwound rather than freshly funded.

Key terms

open interest — the total number of derivative contracts currently open and not yet closed or settled.

rising oi with price — new contracts opening alongside a move, often read as money committing to the direction.

falling oi — open contracts closing, so money is leaving positions and the move is being unwound.

squeeze — a fast move that forces crowded one-sided positions to exit, often shrinking open interest.

How to read & use it

Pair it with price

Open interest means little alone. Read it next to price: rising oi while price trends says money is funding the move; rising oi while price stalls says positions are stacking up.

Rising vs falling

Climbing open interest means contracts are being opened and money is committed. Falling open interest means contracts are being closed and money is stepping back out.

Crowding is context

A large build-up shows many positions sitting close together. That is descriptive context about how crowded the field is, not a forecast of which way it resolves.

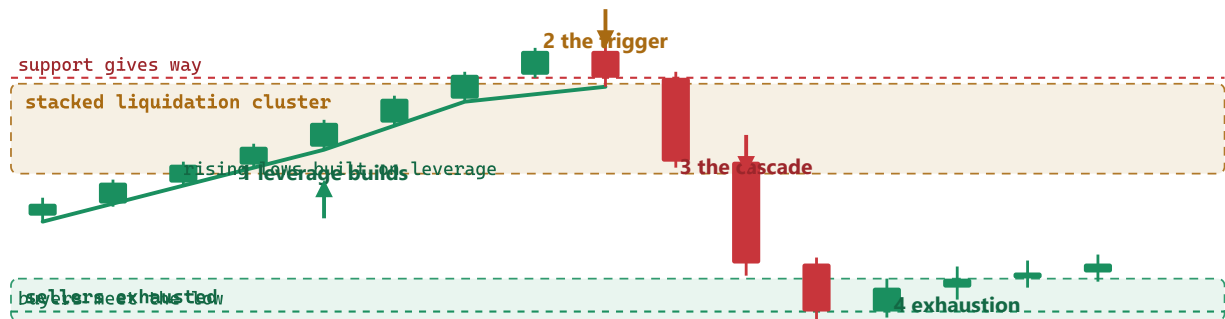
HOW QUANTREEF USES THIS

Anything Quantreef shows about open interest is descriptive context and education, meant to help you read what positioning is doing. It is not a signal, a prediction, or advice, and it never tells you to buy or sell.

When one forced sale triggers the next

In leveraged markets, each borrowed position has a price where the platform auto-closes it. When many sit close together, one forced close can push price into the next batch, snowballing into a fast wick.

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market microstructure



PHASE 1 · LEVERAGE BUILDS

Positions stack up

Price grinds higher and more traders open leveraged longs. Each borrowed position carries a hidden liquidation price below the market, so a dense cluster of automatic exit orders quietly builds up beneath price.

PHASE 2 · THE TRIGGER

Price dips into the cluster

A normal pullback nudges price into the top of that cluster. The first positions hit their liquidation price. To close a long the platform must sell, and that selling pushes price toward the next batch.

PHASE 3 · THE CASCADE

Selling feeds selling

Each forced sale drops price onto the next stack of liquidations, firing more sales. The loop feeds itself and accelerates, printing one long, fast wick down as the stacked leverage unwinds in seconds.

PHASE 4 · EXHAUSTION

The fuel runs out

Once the crowded levels are cleared, no forced sellers are left to feed the chain. Selling fades, buyers meet the low, and price often snaps back and steadies. The sharp wick plus quick recovery is the fingerprint.

Key terms

leverage — Borrowing to hold a position larger than your own cash, which magnifies both gains and losses.

liquidation — An automatic forced close of a leveraged position when price reaches the level where its collateral would run out.

liquidity pool — A cluster of resting orders, here stacked liquidation levels, that price can run into and consume.

cascade — A self-feeding chain where each forced sale pushes price into the next batch of liquidations.

How to read & use it

A wick out of proportion

A long, thin wick that dwarfs nearby candles often marks forced selling, not fresh news. The size comes from the chain reaction, not from a big change in what the asset is worth.

Clusters sit below a crowded rally

When many traders are leveraged long into a steady climb, their liquidation levels tend to stack below price. That build-up is what a cascade later runs through.

Speed and snap-back

Cascades tend to be fast and to partially reverse once the stacked positions are cleared. The abrupt move plus quick recovery is the tell that leverage, not demand, drove it.

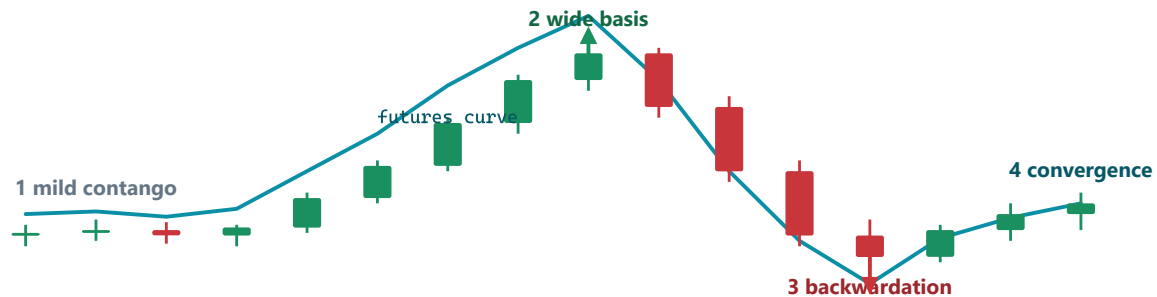
HOW TO READ THIS IN QUANTREEF

Anything Quantreef shows about leverage build-up or liquidation clusters is descriptive context for learning, drawn from public market data. It is educational information, not a signal, recommendation, or prediction, and it does not tell you what to do with money.

Basis and term structure

Futures and spot rarely print the exact same price. That small gap is the basis, and the way it shifts across time can hint at how the crowd is feeling.

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PHASE 1 · THE NORMAL GAP

Mild contango

In a calm market the futures price usually sits a little above spot. Traders will pay a small premium for exposure later, so the basis is positive but narrow. This is the everyday resting state.

PHASE 2 · OPTIMISM WIDENS IT

Wide positive basis

As price rallies and enthusiasm builds, futures can trade well above spot. The gap stretches wider, which is steeper contango. A widening basis often reflects a crowd eager to pay up for future upside.

PHASE 3 · STRESS FLIPS IT

Backwardation

When price drops sharply, futures can fall below spot. The basis turns negative, called backwardation. It can reflect demand to hold the asset right now, or unwinding of leverage, rather than comfort with the future.

PHASE 4 · THEY MEET AT EXPIRY

Convergence

A futures contract settles on a set date. As that date nears, its price drifts toward spot and the basis narrows toward zero. By expiry the two prices meet, no matter how wide the gap was before.

Key terms

Spot price — the price to buy or sell an asset for delivery right now.

Futures price — an agreed price for the same asset, settled on a set future date.

Basis — the futures price minus the spot price; it can be positive, negative, or near zero.

Contango vs backwardation — contango is futures above spot; backwardation is futures below spot.

How to read & use it

Read the sign

A positive basis (contango) often reflects a calm or upbeat market willing to pay a premium for later exposure. A negative basis (backwardation) can show stronger demand to hold the asset right now.

Watch the width

A widening gap can reflect building optimism, while a shrinking or flipping gap can reflect cooling or stress. Think of it as a mood reading, not a countdown to any particular move.

Expect convergence

Because a futures contract settles on a fixed date, its price is pulled toward spot as that date approaches. Near expiry the basis naturally narrows toward zero, so a wide gap alone is not a lasting condition.

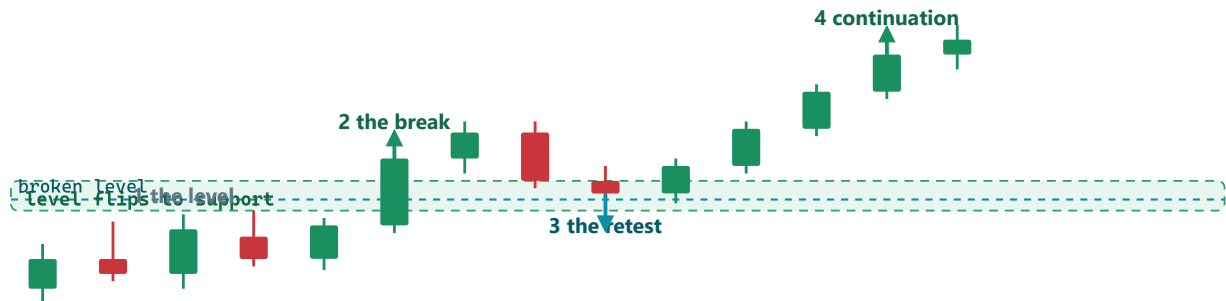
HOW QUANTREEF USES THIS

Anything Quantreef shows about basis or term structure is descriptive context meant to help you understand market conditions. It is educational information, not a signal, recommendation, or prediction about where prices will go.

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.

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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.

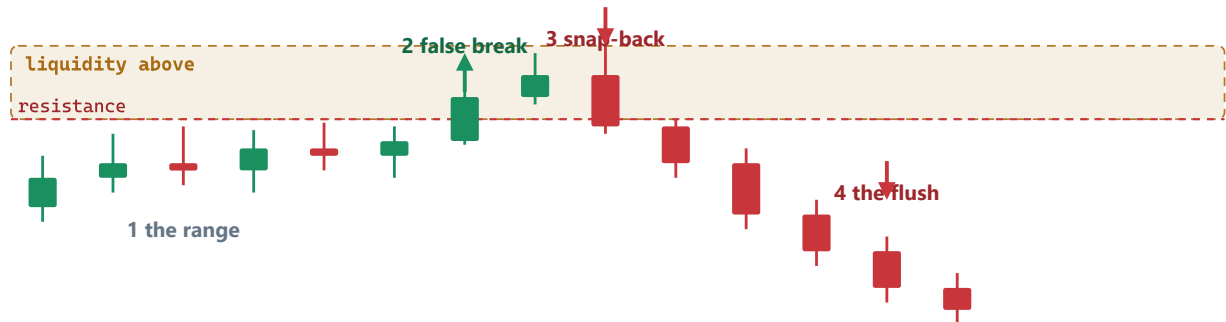
HOW TO READ THIS IN QUANTREEF

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.

Fakeouts and traps

A fakeout is a break that does not hold. Price pushes past a level everyone is watching, pulls in traders chasing the move, then snaps back the other way. Here is how the trap forms and springs.

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market microstructure



PHASE 1 · THE SETUP

a level everyone sees

Price trades in a range under an obvious resistance line. Because so many people watch the same level, a cluster of stop and breakout orders builds up just beyond it.

range under resistance

PHASE 2 · THE LURE

the false break

Price pokes above the level and briefly makes new highs. It looks like a clean breakout, so momentum buyers step in and short sellers are stopped out, adding fuel to the push.

poke above the line

PHASE 3 · THE TRAP

the snap-back

Instead of following through, price reverses hard and closes back below the level. The orders resting above have been filled, or swept, and the late buyers are now offside.

close back inside

PHASE 4 · THE FLUSH

follow-through the other way

Trapped buyers bail out as price falls, and their exits push it lower. A failed break often travels faster than a real one because it runs on trapped positions unwinding.

move resumes lower

Key terms

Fakeout — A move past a level that fails to hold and reverses back, trapping traders who acted on the break.

Bull trap — A false upside break that lures buyers, then reverses down and leaves them holding losing long positions.

Bear trap — A false downside break that lures sellers, then reverses up and squeezes them out of short positions.

Liquidity grab — A quick poke beyond a level that fills resting stop and breakout orders clustered there before price turns.

How to read & use it

Look at the close, not just the wick

A single spike past a level can be a wick that gets rejected. Whether the candle actually closes beyond the level, and stays there, tells a different story than the poke alone.

Notice where orders cluster

Round numbers and recent highs and lows attract clustered orders. A break that reverses right after tagging that pool is often a grab of those orders rather than a genuine shift in direction.

A failed break is information

When a break snaps back, it shows the move lacked follow-through. That reversal is context about who got trapped, not a cue to act. Treat it as one clue among many.

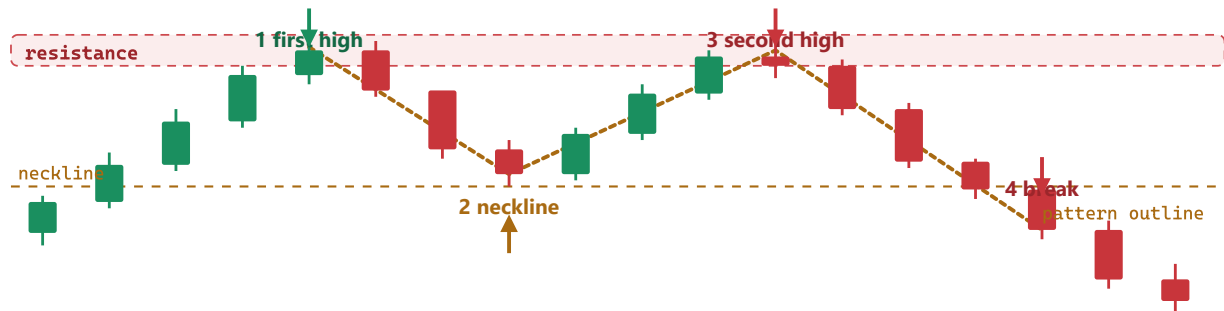
HOW QUANTREEF USES THIS

In the app, Quantreef only highlights where these false-break and snap-back patterns appear on the chart as descriptive, educational context. It labels structure you can see for yourself. Nothing here is a signal, a prediction, or advice about what to buy or sell.

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.

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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.

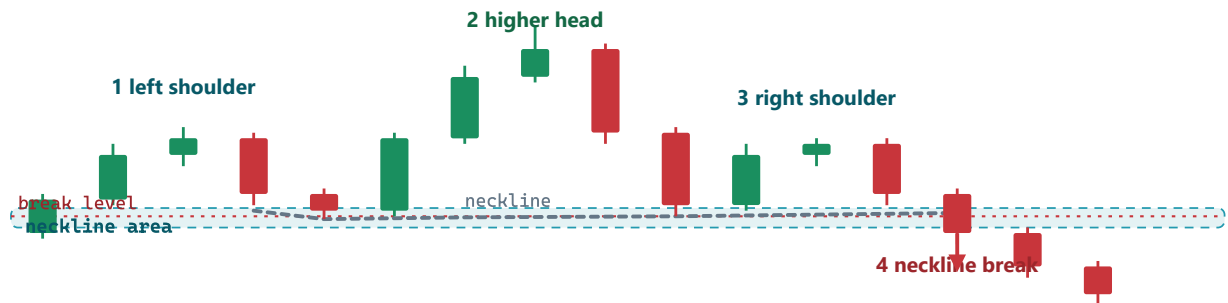
HOW QUANTREEF SHOWS THIS

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.

Reading the head & shoulders

A head & shoulders is a three-peak shape some traders watch near the end of an uptrend: a peak, a taller peak, then a lower peak, all resting on one line called the neckline.

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market microstructure



PHASE 1 · LEFT SHOULDER

first peak forms

Price rallies, makes a high, then eases back down. That first bump is the left shoulder. The pullback low it leaves behind becomes one anchor for a line drawn underneath, the neckline.

PHASE 2 · THE HIGHER HEAD

a taller peak

Buyers push again and price makes a higher high than the left shoulder. This middle, tallest peak is the head. Price then falls back toward the same neckline area, leaving a second low near the first.

PHASE 3 · RIGHT SHOULDER

a lower peak

A third rally follows but stalls below the head, forming a right shoulder that roughly mirrors the left. The peaks now read as low, high, low, sitting on a shared neckline.

PHASE 4 · NECKLINE BREAK

the line gives way

When price closes below the neckline after the right shoulder, the shape is described as complete. This close beneath the shared low is the event that traditionally marks the pattern as finished forming.

Key terms

left shoulder — the first peak and pullback, before the higher head forms.

head — the middle, tallest peak, higher than both shoulders.

right shoulder — a third peak that stalls below the head, echoing the left shoulder.

neckline — a line drawn under the pullback lows; a close below it completes the shape.

How to read & use it

count the three peaks

Look for low, high, low: a shoulder, a taller head, then a shoulder that fails to reach the head. Rough symmetry between the two shoulders makes the shape clearer.

draw the neckline

Connect the pullback lows sitting under the peaks. It can slope gently rather than run perfectly flat. This line is the reference level the whole pattern hangs from.

the neckline break as context

A close below the neckline is what many traders call confirmation of the pattern. It describes a shift in structure, not a certainty; shapes can fail or never complete.

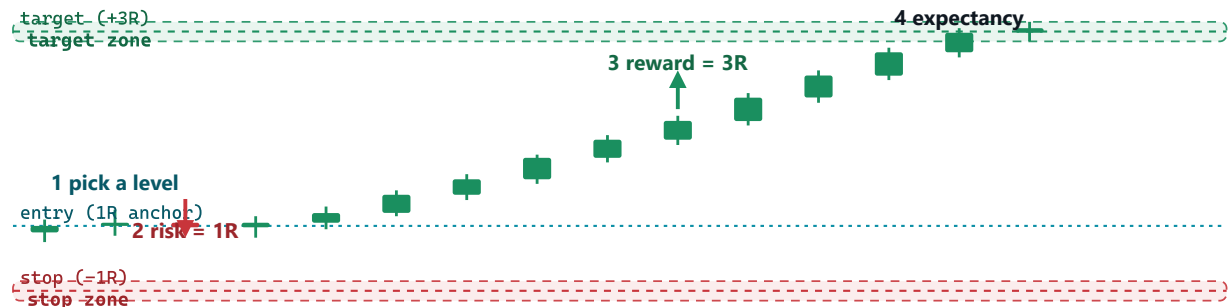
HOW QUANTREEF USES THIS

Anything Quantreef highlights around a head & shoulders is descriptive context to help you learn the shape. It is educational information, not a signal, recommendation, or prediction, and it is never advice to buy or sell.

Risk, reward, and expectancy

Every idea has a distance to where it would be wrong (risk) and where it would be right (reward). Measuring both as one number, the R multiple, and pairing it with how often outcomes land is what matters.

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PHASE 1 · THE SETUP

Pick a level

A trade idea starts at a reference level in the structure. It marks the anchor point from which everything else is measured, giving the risk and reward a common starting line.

entry ~ 61000

PHASE 2 · DEFINE RISK

Mark the stop

Below the idea sits an invalidation point — where the structure would say the idea is simply wrong. The distance from entry down to that stop is the risk, and it is defined as 1R, one unit of risk.

stop ~ 60000 · risk = 1R

PHASE 3 · DEFINE REWARD

Mark the target

Above sits a target level used to measure how far the move is tracked. The distance from entry up to target, divided by the risk distance, is the reward in R. Here the reward distance is roughly three times the risk, or 3R.

target ~ 64000 · reward = 3R

PHASE 4 · EXPECTANCY

Combine with win rate

Reward-to-risk alone is not enough. Expectancy blends it with how often outcomes land: (win rate x average win) minus (loss rate x average loss). A high R multiple can still be negative if wins are rare, and a modest one can be positive.

Key terms

R (risk unit) — The distance from entry to stop, treated as one unit. All outcomes are then measured in multiples of it.

Reward-to-risk — Target distance divided by stop distance. A 3R shape has a reward distance three times the size of the risk distance.

Win rate — The share of outcomes that reach the target rather than the stop, expressed as a percentage over many events.

Expectancy — Average result per event: win rate times average win, minus loss rate times average loss. Positive means favourable on paper.

How to read & use it

Read levels as distances

Don't just look at prices — measure the gap from entry to stop and from entry to target. Those two distances, expressed as R, describe the shape of the idea before any outcome is known.

Win rate needs its partner

A high hit rate with tiny rewards and large losses can still lose over time. Always pair how often with how much, because either number alone can mislead.

Think in many events

Expectancy only describes averages across many outcomes, never the next single one. Any individual result can land anywhere regardless of the arithmetic.

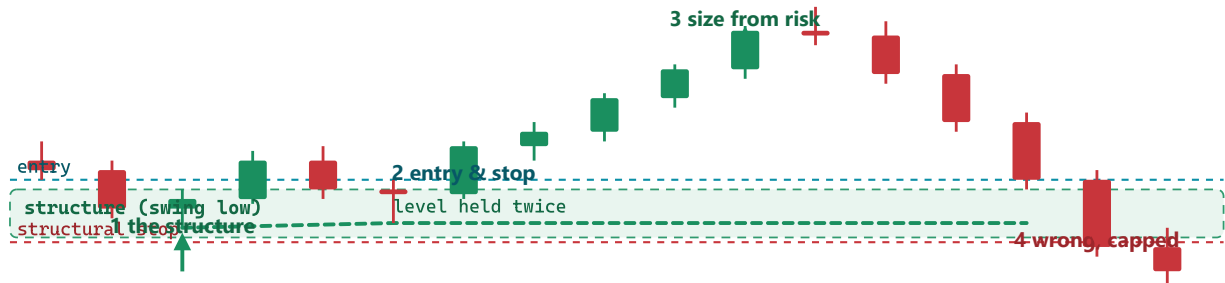
HOW TO READ THIS ON QUANTREEF

Where Quantreef shows risk, reward, or R multiples, treat it as descriptive context and education about the structure — not a signal, recommendation, or prediction of what price will do. Nothing here is trading or financial advice.

Stop placement and position sizing

Two decisions that work together: the stop goes where the trade idea would be proven wrong, and position size is then chosen so that being wrong costs only a small, fixed slice of the account.

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PHASE 1 · THE STRUCTURE

Find the level

Price builds a clear structural point, for example a swing low that holds twice. This level is the reference the idea leans on. While it stays intact the idea is still alive; if price closes decisively past it, the reason for the trade is gone.

PHASE 2 · THE ENTRY

Mark entry and stop

Entry sits near the level. The stop goes a little beyond the structure, not at a round number or a fixed dollar amount. The gap between entry and stop is the risk distance, measured in price, and it comes straight from the chart.

PHASE 3 · THE SIZING

Size from the risk

Account risk is set first, a small fixed percent per idea. Position size is then whatever makes the entry-to-stop distance equal that amount. A wider stop means a smaller position; a tighter stop, a larger one.

PHASE 4 · THE OUTCOME

Wrong is capped

Either price holds above structure and the idea keeps running, or it closes below and the stop ends the trade at the pre-decided small loss. Because size was set from the stop, one wrong idea never dents the account more than planned.

Key terms

structural stop — a stop placed just beyond the level the idea depends on, so it triggers only if the idea is truly wrong.

risk distance — the gap in price between entry and stop; the raw material for sizing.

account risk — the small fixed share of the account accepted as a loss if the stop is hit.

position size — the quantity chosen so that risk distance equals the account risk in money terms.

How to read & use it

Stop location comes first

The stop goes where structure says the idea failed, and size is worked out afterward. Sizing first and stretching the stop to fit is what turns a small loss into a large one.

Wider stop, smaller size

A stop far from entry is not riskier if size shrinks to match. The fixed money loss stays constant, so the two levers always move in opposite directions.

One number, decided up front

Knowing the loss before entry removes in-the-moment guessing. Every idea risks the same small slice, so no single outcome is decisive on its own.

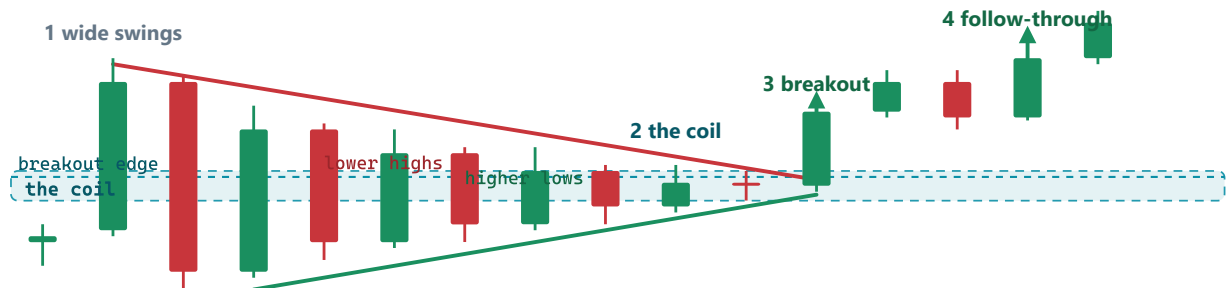
HOW TO READ THIS ON QUANTREEF

Anything Quantreef shows about levels, structure or distances is descriptive context and education, not a signal, recommendation or prediction. It does not tell you to enter, exit or size any position. Decisions, and their outcomes, are entirely your own.

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.

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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

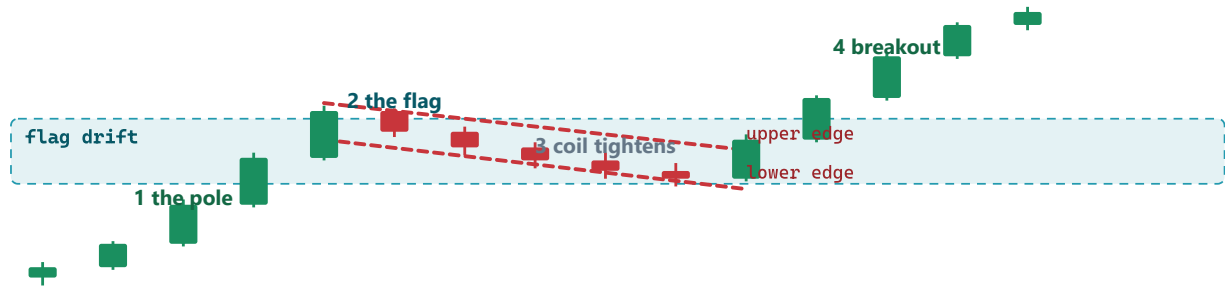
Price can poke through and snap back, or retest the broken line before moving. Treat the pattern as descriptive context, not a promise of direction.

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.

flags and pennants

A flag or pennant is a short pause after a sharp move. Price runs hard one way (the pole), rests in a small range that leans against the move, then often continues. Here is how the shape reads.



1 the pole

A fast, one-sided burst pushes price a long way in a short time. Candles are large and mostly the same colour. This steep run is the pole that the pattern hangs from.

impulse

2 the flag

After the burst, price drifts sideways or slightly against the move in a small tight channel. Candles shrink and overlap. This gentle counter-drift is the flag; a coiling, narrowing version is a pennant.

pause

3 the coil tightens

The range keeps narrowing as the push and pull-back balance out. The drift stays shallow relative to the pole, which is what separates a flag or pennant from a full reversal of the move.

compression

4 the breakout

Price pushes back out of the small channel in the direction of the pole. Range expands again and the earlier momentum can resume. A close back inside the channel would instead void the shape.

continuation

Key terms

pole — the sharp, fast move that comes before the pause and gives the pattern its height.

flag — a small channel that drifts gently against the move after the pole.

pennant — a small coil where the range narrows to a point instead of drifting.

breakout — the move back out of the small channel, often continuing the pole's direction.

How to read & use it

measure the pole first

The flag or pennant only reads clearly against a steep pole. A large one-sided run followed by a small quiet drift is the classic shape; a shallow move with no pole is just noise.

watch the drift, not just the line

Tidy flags stay shallow and orderly, leaning slightly against the move. If the pause turns into a deep, wide, two-sided range, the neat pattern has broken down and the read changes.

the channel edge marks confirmation

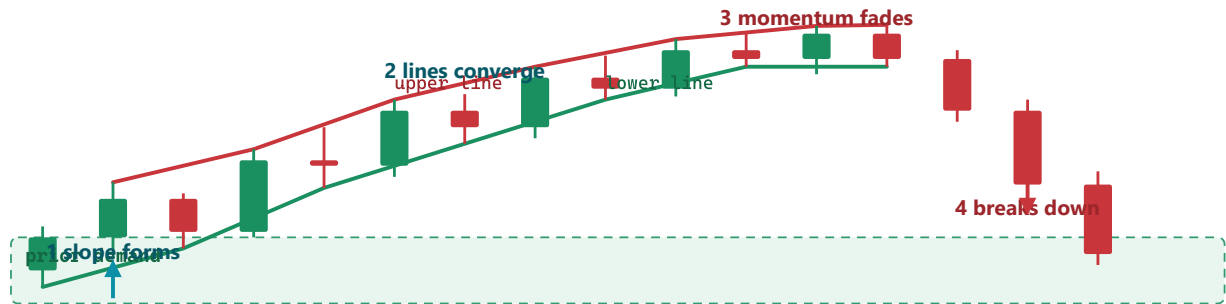
The shape is only confirmed once a candle closes back outside the small channel. A move that stays trapped inside, or falls back in after poking out, has not confirmed the pattern.

HOW QUANTREEF SHOWS THIS

When Quantreef highlights a flag or pennant, it is labelling a shape on the chart for education and context only. It is descriptive information about price structure, not a signal, a recommendation, or a prediction of what price will do next.

Reading a wedge

A wedge forms when both trendlines slope the same way and squeeze together. Price keeps drifting in one direction but with shrinking momentum, and the break often comes against that slope.



1

Slope takes shape

Price grinds upward, making higher highs and higher lows. Two trendlines drawn along the highs and the lows both point the same way.

2

Lines converge

The lows rise faster than the highs, so the upper and lower lines tilt toward each other. The range narrows into a tightening cone.

3

Momentum fades

Each new push higher covers less ground. The narrowing wedge shows buyers and sellers settling into a smaller and smaller range.

4

Break against slope

Price closes below the lower line, breaking down even though the wedge tilted up. This counter-slope resolution is the pattern's defining trait.

Key terms

Rising wedge — Both lines slope up and converge; the break often comes downward, against the up slope.

Falling wedge — Both lines slope down and converge; the break often comes upward, against the down slope.

Convergence — The two boundary lines drift closer together as the price range narrows.

Counter-slope break — An exit that runs opposite to the wedge's tilt, the trait that sets wedges apart.

How to read & use it

Same direction, both lines

What marks a wedge is that both boundaries slope the same way. A channel keeps its lines parallel; a wedge squeezes them together.

Watch the slope versus the break

The teaching point is that the resolution often runs against the tilt: up-sloping wedges tend to break down, and down-sloping ones tend to break up.

A close counts more than a wick

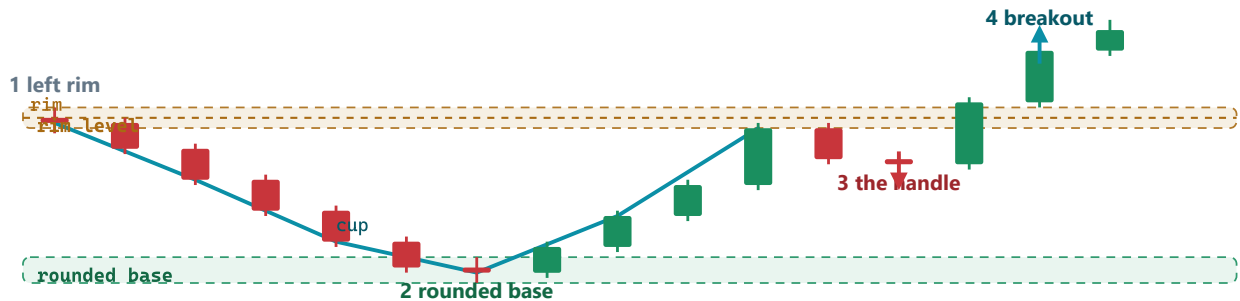
A single wick poking past a boundary is not the same as a full candle closing beyond it. A close is what many readers treat as the clearer break.

HOW QUANTREEF SHOWS THIS

When Quantreef highlights a wedge on a chart, it is descriptive context to help you learn the shape, not a signal, recommendation, or prediction. Wedges are one way to describe recent price structure and never guarantee what happens next.

the cup and handle

The cup and handle is a chart shape: a slow rounded dip that recovers to where it started, then a small shallow pullback, then a move back above that upper edge. This page explains the shape and its words.



1 the left rim

Price sits near a high, then starts drifting lower in a gentle, curved way rather than a sharp drop. That upper edge where it began is called the rim.

2 the rounded base

The decline slows, flattens out, and turns back up, tracing a smooth U shape. This soft, rounded bottom is the cup, and it can take many candles to form.

3 the handle

After climbing back near the rim, price stalls and drifts down a little in a small, shallow pullback. This short dip below the rim is the handle.

4 the breakout

Price pushes back up through the rim level, moving above the top of both the cup and the handle. Traders call this crossing of the rim the breakout.

Key terms

cup — The rounded, U-shaped dip and recovery that forms the main body of the pattern.

rim — The upper price edge where the cup begins and later where the breakout is measured.

handle — The small, shallow pullback that forms just after price returns near the rim.

breakout — A descriptive term for price moving back above the rim after the handle.

How to read & use it

look for the smooth curve

A textbook cup is rounded and gradual, not a sharp V. The slow, even shape is what people mean by a rounded base rather than a spike.

the handle is small

By description, a handle is a shallow dip near the rim, not a deep second slide. A large drop is usually described as a different shape entirely.

patterns can fail

A shape that looks like a cup and handle does not guarantee any outcome. Price may drift back down instead. Treat it as one way to describe past movement, not a forecast.

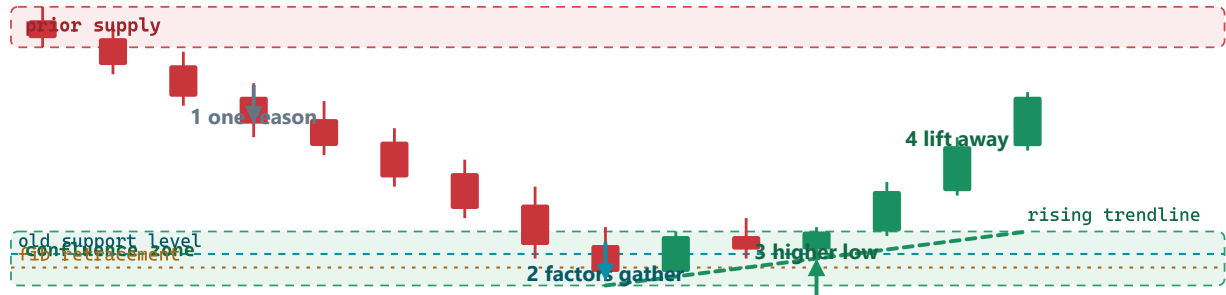
HOW QUANTREEF SHOWS THIS

When Quantreef highlights a cup and handle, it is offering descriptive, educational context about the shape of past price movement. It is not a signal, a recommendation, or a prediction of what price will do next, and nothing here is trading advice.

when reasons stack up

Confluence is when several independent reasons point at the same price at once.

When a level, the trend, a fib and structure all agree, the odds compound, though it is never a certainty.



1

one lonely reason

Price drifts down toward a spot where only a single factor sits, an old support level. On its own, one reason is a weak argument and gives little to lean on.

2

the factors gather

As price falls further, more reasons line up at almost the same height, the support level, a rising trendline and a common fib retracement all meet. The zone gets crowded.

3

structure agrees too

Price dips again but holds above the first low, forming a higher low right in that zone. Market structure adds its voice, so four independent reasons now overlap.

4

reaction, not a promise

Buyers step in and price lifts away from the stacked zone. The agreement raised the quality of the spot, but plenty of stacked setups still fail, it stays probabilistic.

Key terms

confluence — several independent reasons pointing at the same price at the same time.

independent reasons — factors that come from different ideas, so agreement means more than one repeated signal.

fib retracement — a proportional level where a prior move often pauses or reacts.

market structure — the pattern of highs and lows that shows whether a trend is holding.

How to read & use it

count distinct reasons

Look for factors that come from different ideas, a level, the trend, a fib and structure. Four different lenses agreeing means more than one factor repeated four times.

a zone, not a line

Confluence usually clusters in a small band rather than one exact price. Read the area where the reasons overlap, not a single perfect number.

more agreement, still odds

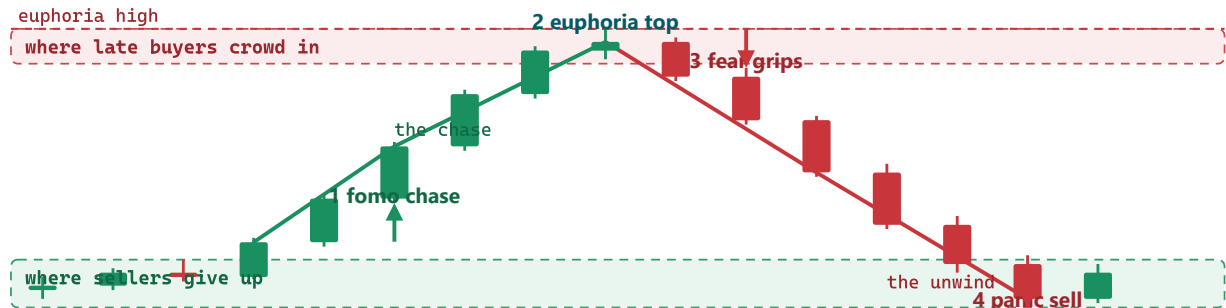
Stacked reasons can raise the quality of a spot, but even strong confluence fails regularly. Treat it as better odds to study, never a guarantee.

HOW TO READ THIS ON QUANTREEF

When Quantreef highlights where several factors overlap, it is showing descriptive context to help you learn how reasons stack, not a signal, recommendation or prediction. It never tells you to buy or sell, and agreement between factors is never a promise of what price will do next.

trading psychology

Prices move on data, but people react with feelings. This chapter walks through common emotional traps — fear of missing out, greed, fear, and revenge trading — and why a steady process tends to outlast prediction.



01

fear of missing out

price rips higher and the crowd piles in late, worried about being left behind. buying often happens near the top, driven by excitement rather than a plan.

late buyers

02

greed and euphoria

near the top everything feels easy, so targets get stretched and gains are left to run. confidence is often highest exactly where risk is highest.

peak comfort

03

fear and denial

the move rolls over and losses appear. many freeze, hope for a bounce, and quietly ignore the plan they set while calm.

first losses

04

panic and revenge

as the drop deepens, discomfort peaks and positions are dumped near the low. a rushed revenge trade to win it back often follows.

capitulation

Key terms

fear of missing out — the urge to buy because price is rising fast and others appear to be profiting.

revenge trading — taking a rushed trade right after a loss to win the money back, usually with added risk.

capitulation — the moment many give up at once and sell heavily, often clustered near a low.

discipline — following a written process and risk limits even when emotions push the other way.

How to read & use it

spot the emotion, not the target

when a candle makes you feel urgency or regret, that feeling is worth noticing. the chart shows crowd emotion in motion, not certainty about the next move.

process over prediction

a repeatable plan — entries, exits, and risk decided in advance — removes in-the-moment guessing. it is about being consistent, not about promising a result.

notice the chase-and-panic loop

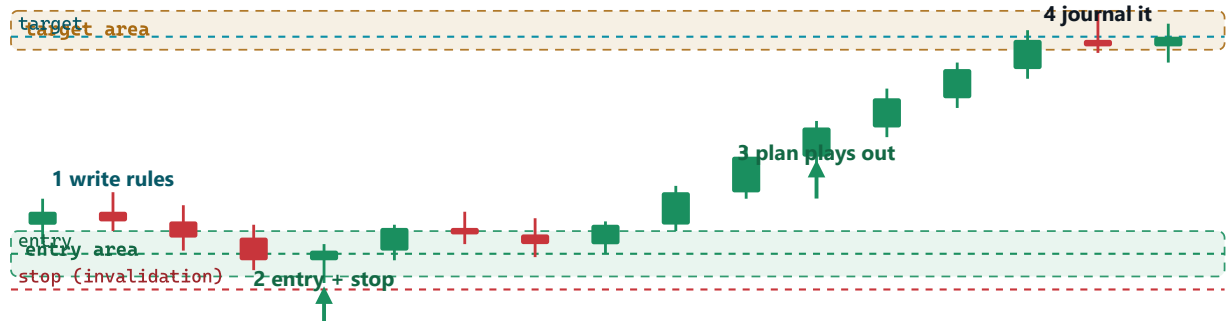
the same shape tends to repeat: late buying into strength, then heavy selling into weakness. seeing the pattern is the first step to not living inside it.

HOW QUANTREEF SHOWS THIS

what quantreef displays here is descriptive context and education about market behaviour — it is not a signal, a recommendation, or a prediction, and it does not tell you when to buy or sell.

Trading plan & journaling

A trading plan writes down your rules before you act: where you'd enter, how much you risk, the price that proves the idea wrong, and where you'd exit. A journal records what happened so you can learn.



1

Write the rules first

Before entering, you define the plan: a chosen entry area, the size that keeps risk small, an invalidation price, and a target. Deciding calmly in advance removes guesswork from the heat of the moment.

Plan

2

Enter and mark invalidation

Price reaches the entry area and the position opens. The stop sits below the level that would prove the idea wrong, so the amount at risk is known and fixed from the start.

Entry

3

Let the plan play out

Price moves toward the target. Because exits were defined ahead of time, the trade follows the rules rather than reacting to every candle. The outcome is one sample, not proof of skill.

Manage

4

Journal the outcome

Win or lose, you log the setup, the levels, and what you felt and did. Over many entries the journal reveals patterns, and consistency shows up as a repeatable process across trades.

Review

Key terms

Entry rule — A pre-defined price area where a setup would trigger a position, decided before acting.

Invalidation — The price that shows the idea was wrong; the stop level that caps how much is risked.

Risk-reward — The size of the planned loss compared with the planned gain, set before entering.

Trade journal — A running log of each trade's plan, levels, outcome, and notes, used to learn over time.

How to read & use it

Read the plan on the chart

The dashed levels show entry, stop, and target agreed in advance. A setup is only complete when all three are defined, not just the entry.

One trade proves nothing

A single win or loss is one data point. Judge the process across many logged entries, not by the last result you happened to get.

Let the journal teach

Recording every outcome, including your notes and emotions, turns scattered trades into patterns you can review and refine over time.

HOW TO USE THIS PAGE

What Quantreef displays is descriptive context and education, not a signal, recommendation, or prediction. Levels and outcomes here are illustrative examples of how a plan and journal work, not advice about what to trade or when. Any decisions and their results are your own.