The Breakout Retest Guide

How price returns to confirm a broken level and what traders watch for.

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01 What it is and why it matters

- A tight consolidation marks balance between buyers and sellers. When price breaks out, aggressive participants often chase the initial move.
- Chasing that expansion exposes accounts to sudden pullbacks. A retest occurs when price returns to verify the former boundary.
- In technical analysis, a broken ceiling often acts as a new floor. Waiting for confirmation helps filter out false breakouts.

02 How to spot it on the chart, step by step

- Identify an established range where price repeatedly tests the same boundary. The clearer the level, the more eyes are on it.
- Observe when a candle body closes cleanly outside that boundary. Patient analysis treats this as preparation, not an immediate entry.
- Watch the price action as it retraces to the broken level. Traders look for signs of defense, such as wicks rejecting lower prices.
- If price moves back and closes inside the previous range, analysts treat the breakout as failed.

03 How to track it in TradingView

- Press Alt+H on your keyboard to place a horizontal line along the range ceiling.
- Press Alt+A directly on that line to create an automated alert for the pullback.
- Allow the platform to notify you when price returns, removing the temptation to stare at the screen.

04 The common mistake and what traders do instead

- The frequent error is buying during the initial breakout candle due to urgency. Price often pulls back sharply once that push exhausts itself.
- Disciplined chartists wait for the test of the broken level. They accept missing a move that never returns over chasing an unconfirmed breakout.
- When the setup does not hold, traders accept the invalidation and clear the chart rather than forcing a position.

Checklist

- [ ] Range ceiling is clearly defined by multiple tests
- [ ] A full candle has closed outside the range boundary
- [ ] Price has retraced back to the broken level
- [ ] Rejection wicks demonstrate buying interest at the floor
- [ ] No candle body has closed back inside the old range
- [ ] Predefined risk limits are set before any order is placed

Your next step

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