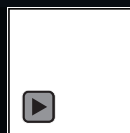


Breakout and Pullback vs Breakdown and retracement

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Breakout and pullback

A **breakout** is a potential “**Long**” trading opportunity that occurs when an asset's price moves above a resistance level **on increasing volume**.

Daily chart



Breakout and pullback

A **pullback** is a brief decline (or pause) after a breakout. Best pullbacks are the ones that go back and touch the resistance level that was broken.



Breakdown and retracement

A **breakdown** is a potential **"Short"** trading opportunity that occurs when an asset's price moves below a support level **on increasing volume**



Breakdown and retracement

A **retracement** is a brief rise (or pause) after a breakdown. Best retracements are the ones that go back and touch the support level that was broken.



Lower RVOL than on breakdown and follow up candles - during retracement

