

Hi Traders,

Let's do one more of these [Breakout Failure trades](#). Last one - I promise. :)

I know this is the third week in a row. But there is a serious lesson in the fact that all these trades look much the same.

If you missed the prior two articles, you can see them [here](#) and [here](#).

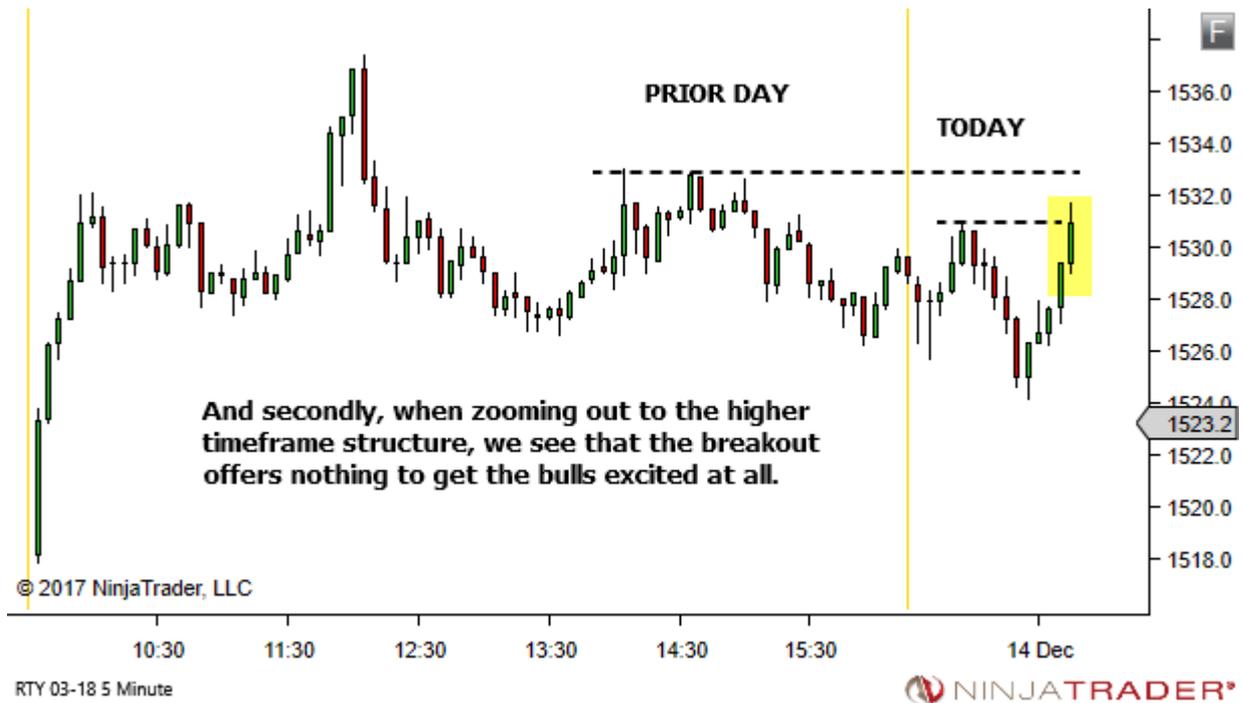
Happy trading,

Lance Beggs.

Watch Post-Breakout Behaviour - 3

This is what I like to see in a breakout...





This is a prime target for a breakout failure.

But I don't ever just jump in and fade the break.

There is never any certainty in this game. It may well rally.

Instead, I watch post-breakout behaviour and CONFIRM that there are no signs of strength.



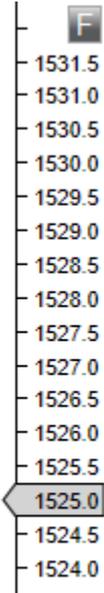
**A low-close range candle.
This is certainly not bullish.**



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RTY 03-18 1 Minute

**But then it's not unusual
for a breakout to retest
the area of prior
resistance. Let's step
forward again.**



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And again, another low-close range candle.

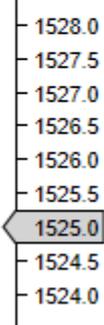
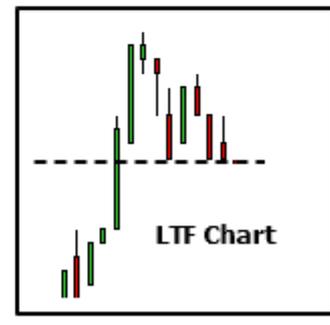


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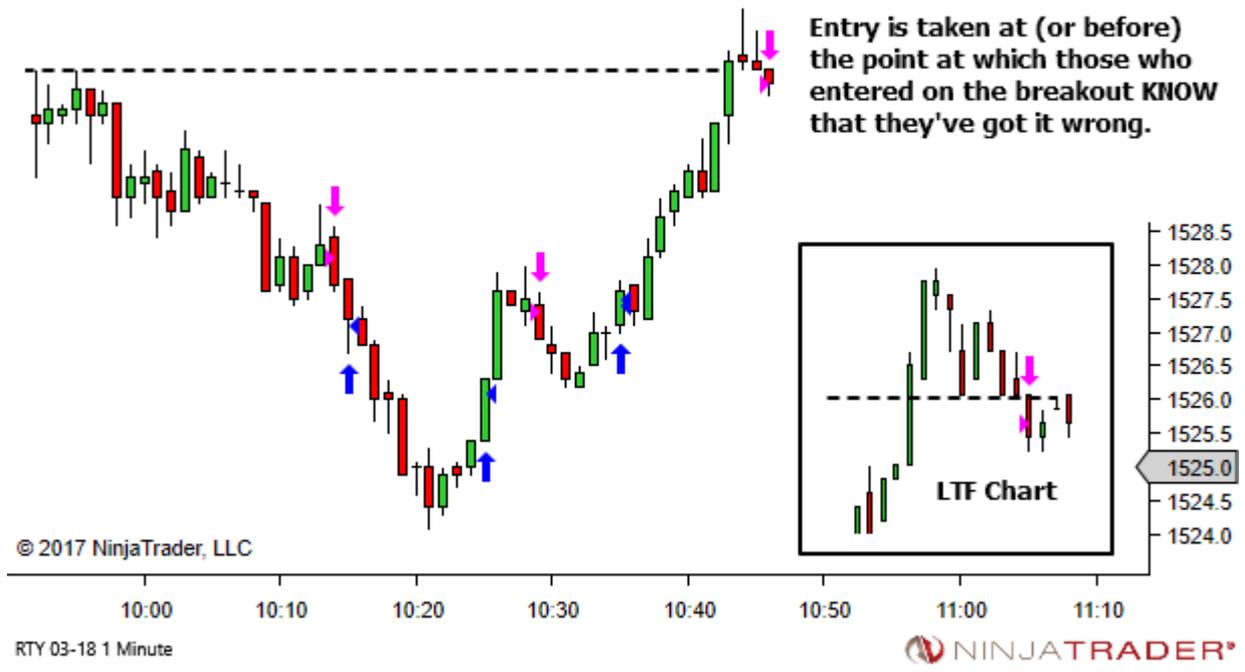
RTY 03-18 1 Minute

This is setting up just nicely.

**Put yourself in the mindset of
anyone who might have bought
on a break of the resistance
level. How are they feeling right
now? Not too happy, I imagine.**



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