

Swing Highs and Lows

A swing high is simply any turning point where rising price changes to falling price. I define a swing high (SH) as a price bar high, preceded by two lower highs (LH) and followed by two lower highs (LH), as per the following diagram:





Figure 3.6 – Swing High

Referring to figure 3.6, the Swing High is candle C. All other candles reference this one. Candle A has a high which is LOWER THAN candle C's high. Candle B has a high which is LOWER THAN candle C's high. Candle D has a high which is LOWER THAN candle C's high. Candle E has a high which is LOWER THAN candle C's high.

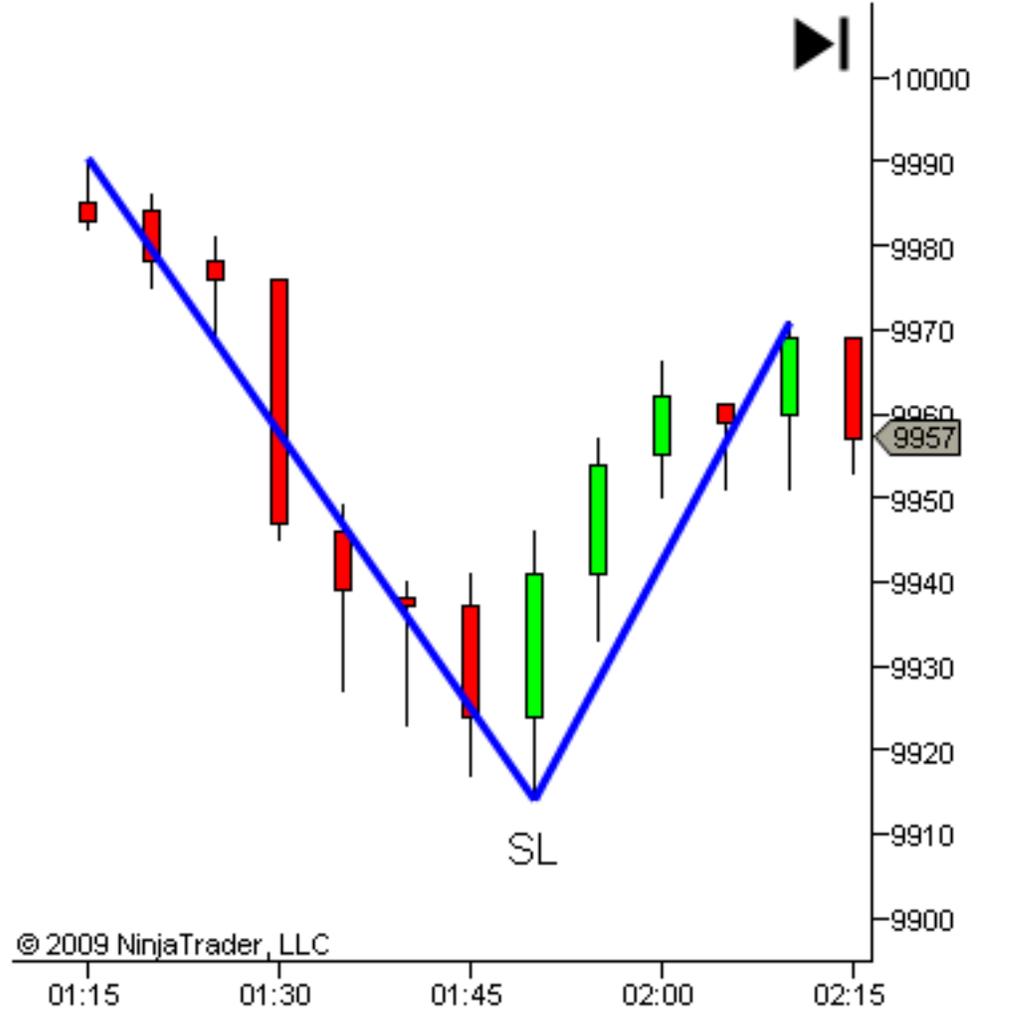
Note that candle A's high does not have to be lower than B. All highs only reference the high of C.

Likewise for the swing low.

A swing low is simply any turning point where falling price changes to rising price. I define a swing low (SL) as a price bar low, preceded by two higher lows (HL) and followed by two higher lows (HL), as per the following diagram:

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YM 12-09 5 Min



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Figure 3.9 – Swing Low

The Swing Low in figure 3.9 is candle C. All other candles reference this one.

Candle A has a low which is HIGHER THAN candle C's low.

Candle B has a low which is HIGHER THAN candle C's low.

Candle D has a low which is HIGHER THAN candle C's low.

Candle E has a low which is HIGHER THAN candle C's low.

Again note that candle A's low does not have to be higher than B. All lows only reference the low of C.

Trend Definition

Trend Support and Resistance – Swing Highs & Lows

The principles governing price movement are the same on all timeframes. Price moves as a function of supply and demand. It moves between areas of previous supply/demand imbalance, which are defined as support or resistance.

On our *higher timeframe* (30 min) we defined a structure based upon *higher timeframe* support

and resistance.

Within that structure, price still moves between areas of shorter timeframe support and resistance. On the *trading timeframe* (3 min) I simply refer to them as swing highs (SH) and swing lows (SL), as demonstrated in figure 3.32 below.



Figure 3.32 – Trend– Swing Highs & Lows

Trend Direction

Price movement between these swing H/L will form into trends; either as an uptrend, downtrend or a sideways trend (trading range).

Uptrend - Definition

An uptrend comprises a repeating sequence of:

- 1) An upward extension
- 2) A swing high
- 3) A downward pullback
- 4) A swing low

This is demonstrated below in figure 3.34, where you'll also notice a few other key observations:

The price extensions are longer than the pullbacks.

Extensions will break above previous swing high, reaching new price highs for that trend.

Pullbacks will not break below previous swing lows.

This results in a series of higher swing highs and higher swing lows.

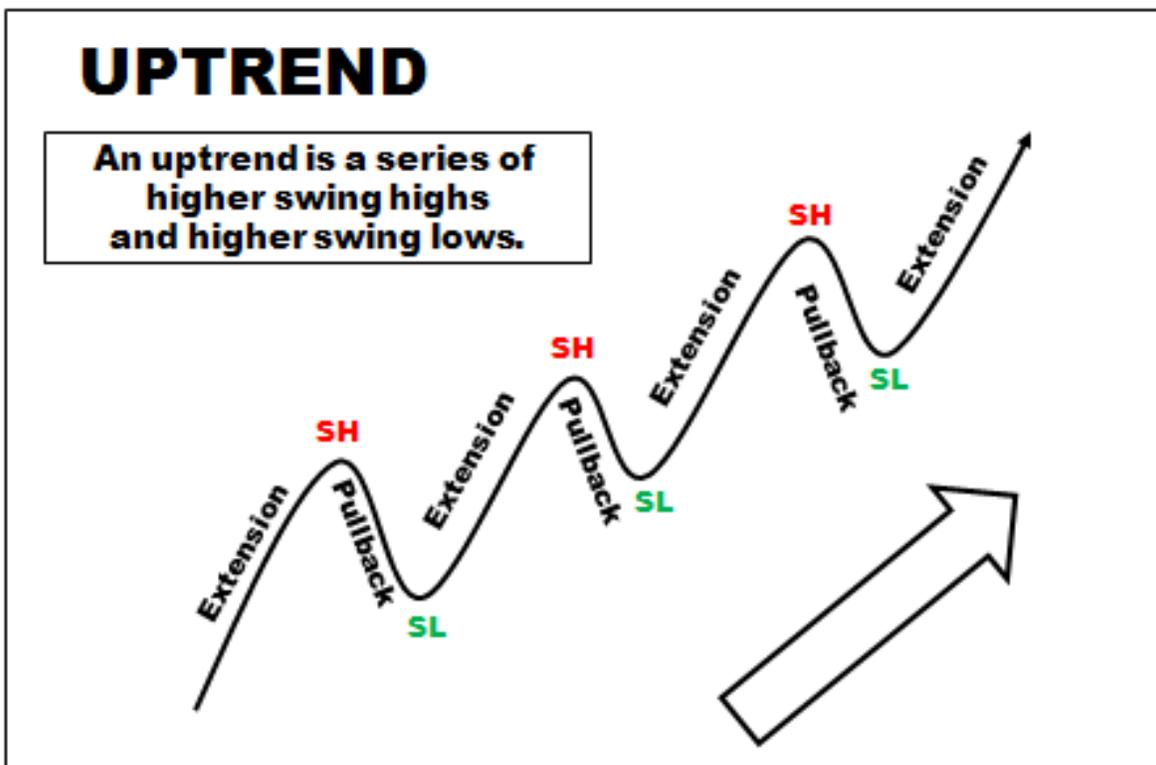


Figure 3.34 – Uptrend – Diagram

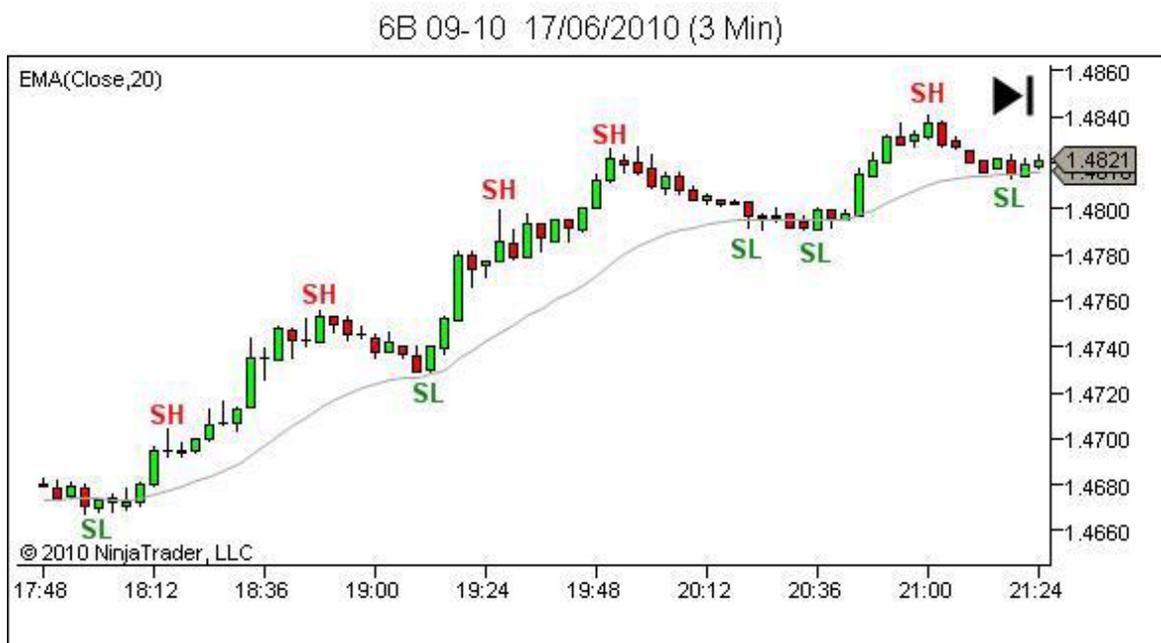


Figure 3.35 – Uptrend - Chart

An uptrend ends when price breaks the swing low which leads to the highest swing high of the trend. We'll demonstrate that in figure 3.36 below.

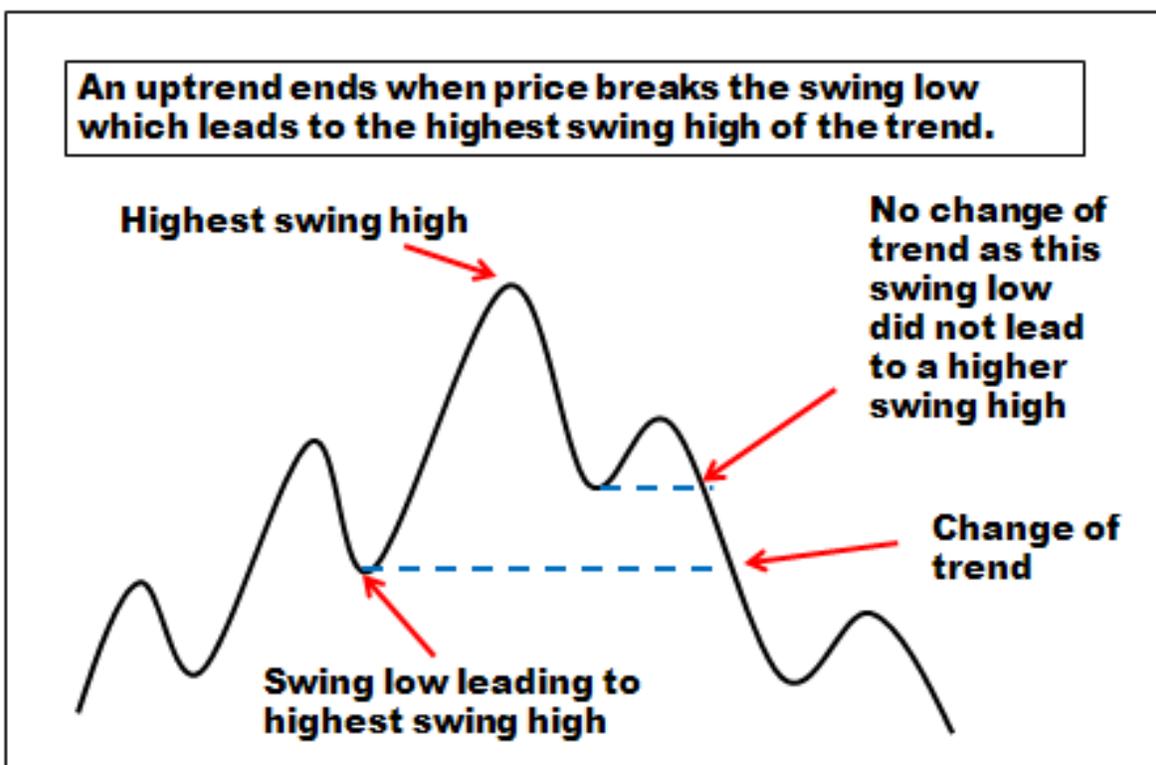


Figure 3.36 –Uptrend End

Failure to break the swing low that leads to the highest high, could simply indicate a complex pullback rather than a reversal, as demonstrated below in figure 3.37.

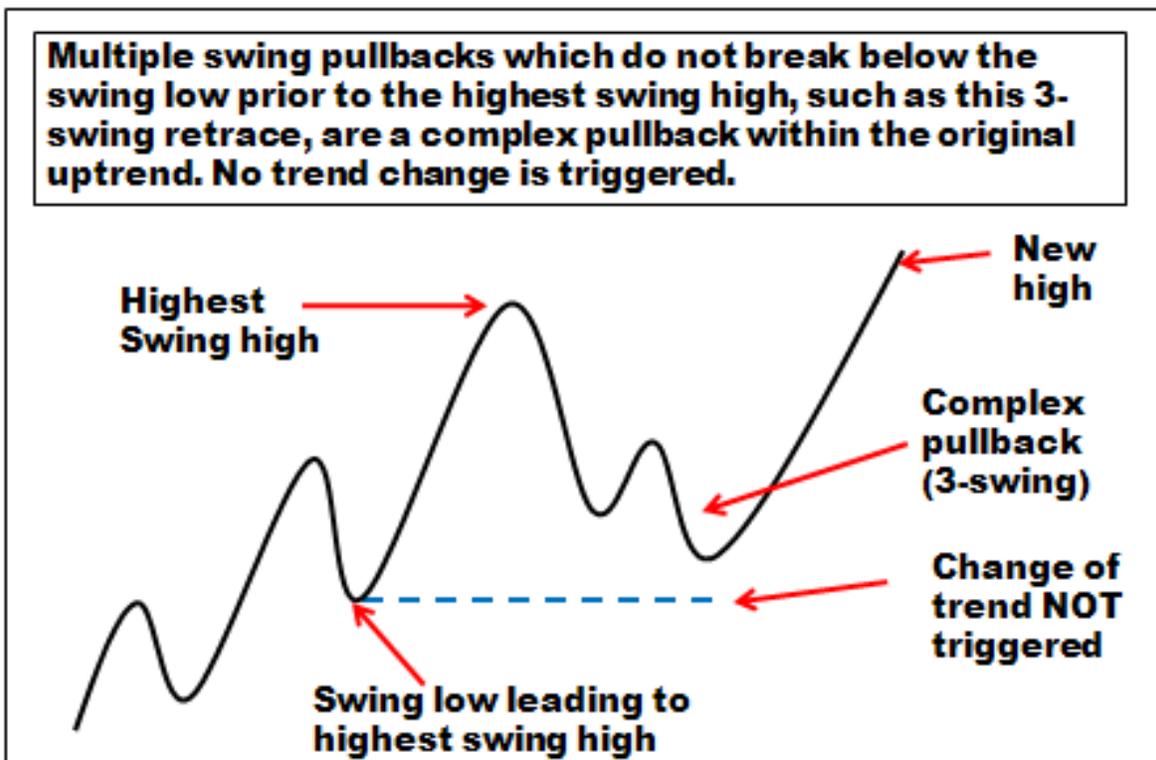


Figure 3.37 – Complex Pullback Leading to Uptrend Continuation

Downtrend - Definition

A downtrend comprises a repeating sequence of:

- 1) A downward extension
- 2) A swing low
- 3) An upward pullback
- 4) A swing high

This is demonstrated below in figure 3.38, where you’ll also notice a few other key observations:

The price extensions are longer than the pullbacks.

Extensions will break below previous swing lows, reaching new price lows for that trend.

Pullbacks will not break above previous swing highs.

This results in a series of lower swing lows and lower swing highs.

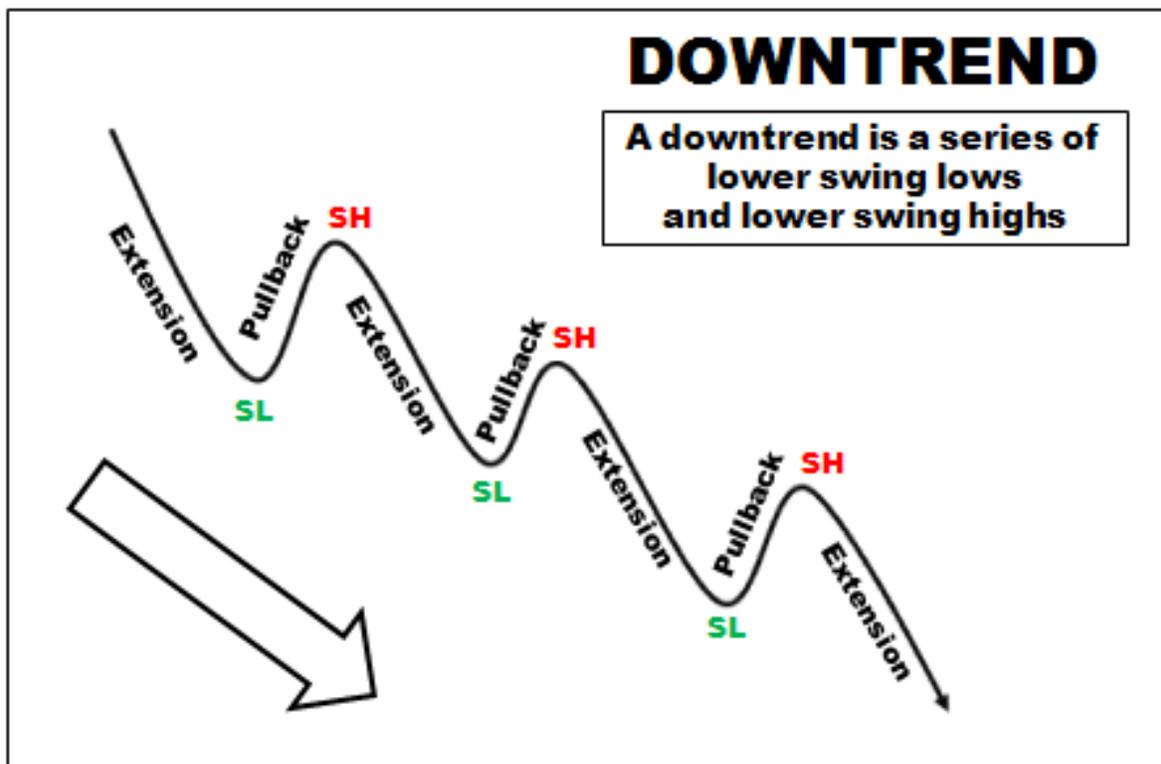


Figure 3.38 – Downtrend – Diagram

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Figure 3.39 – Downtrend - Chart

A downtrend ends when price breaks the swing high which leads to the lowest swing low of the trend. Let's demonstrate that below, in figure 3.40.

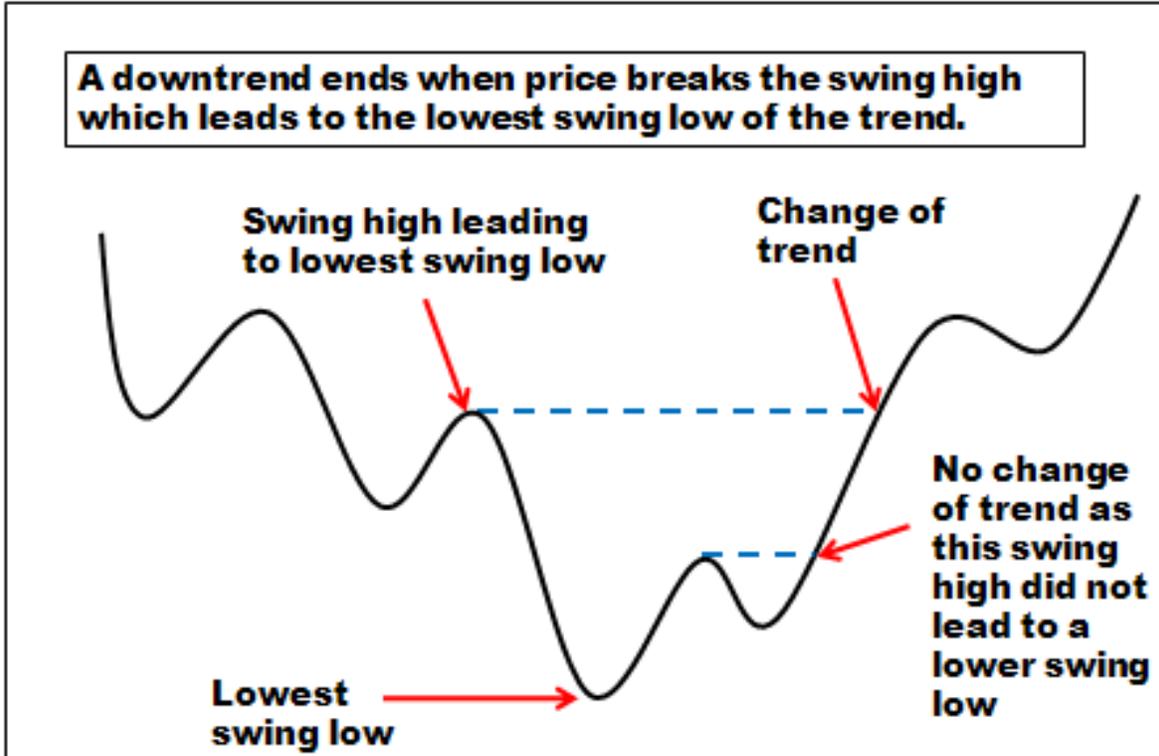


Figure 3.40 – Downtrend End

Failure to break the swing high that leads to the lowest swing low, could simply indicate a complex pullback rather than a reversal, as demonstrated below in figure 3.41.

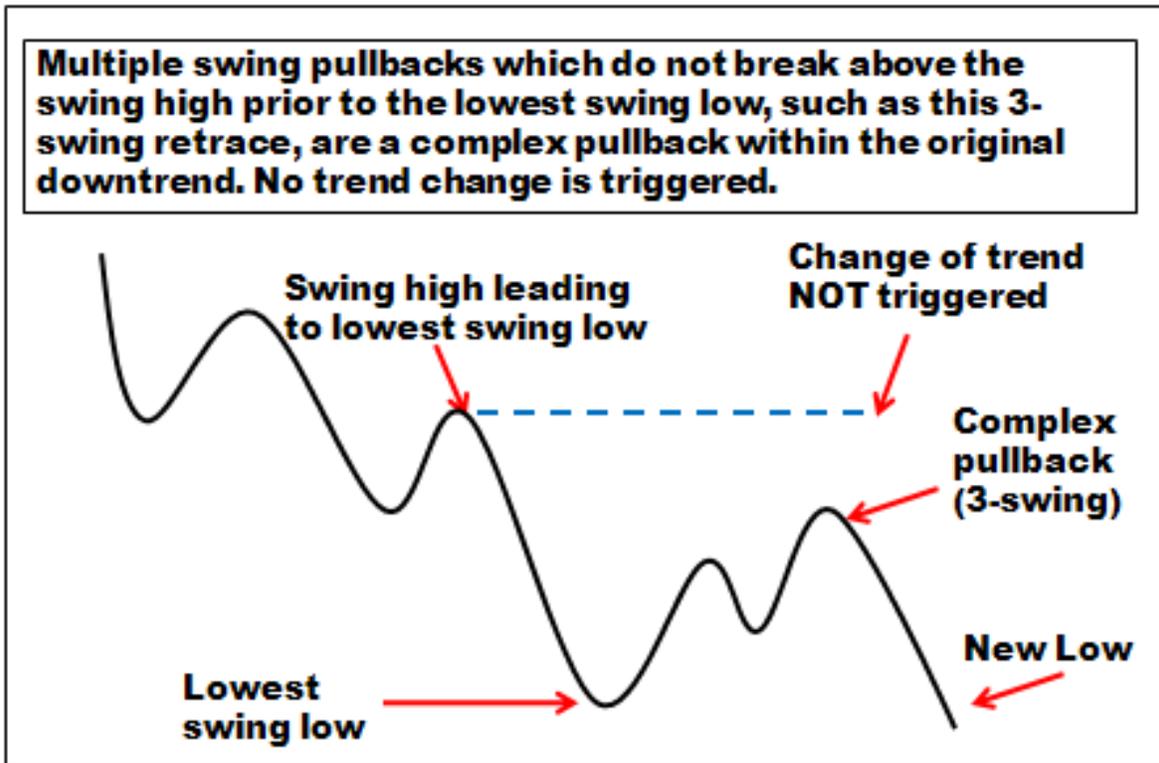


Figure 3.41 – Complex Pullback Leading to Downtrend Continuation

Sideways Trend - Definition

A sideways trend comprises a series of price swings existing within the range of a significant upper resistance area and a significant lower support area. The range support and resistance boundaries (range lower and upper boundaries) may be formed from either *higher timeframe* S/R and/or significant *trading timeframe* swing highs or lows.

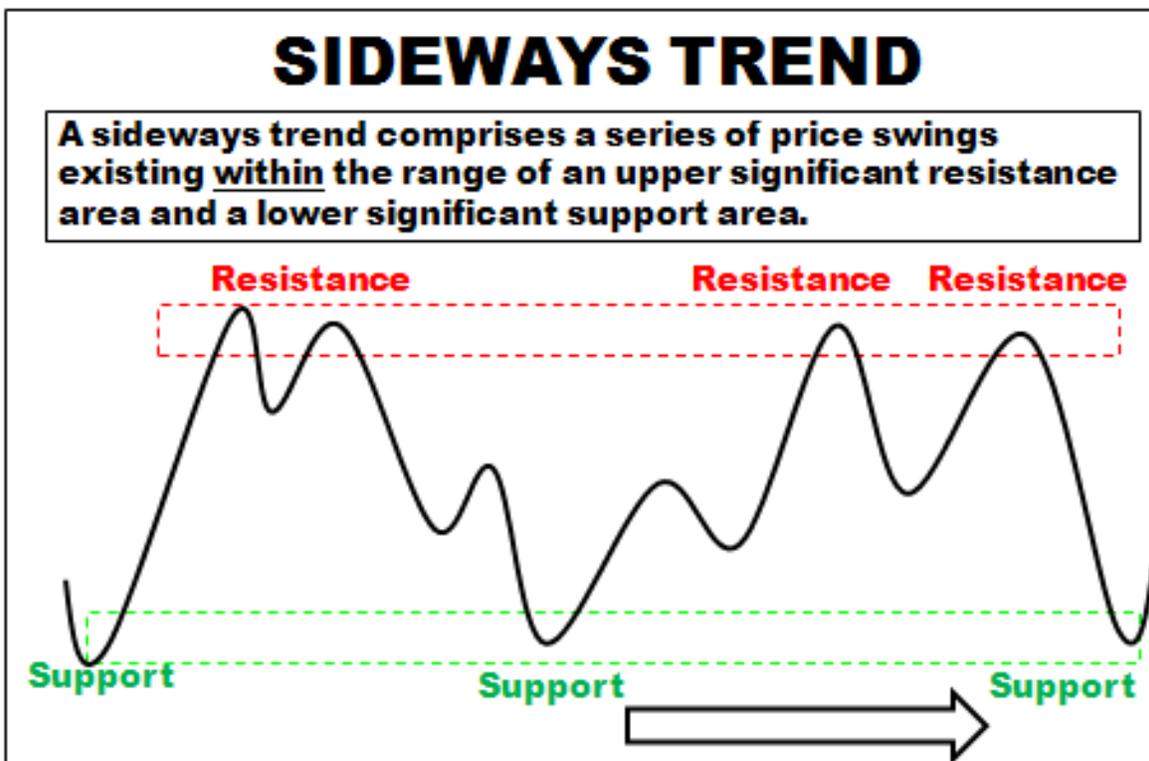


Figure 3.42 – Sideways Trend – Diagram



Figure 3.43 – Sideways Trend - Chart

I define the official start of a sideways trend as follows:

A sideways trend starts when four trend turning points (SH and SL) develop within the range of a previous price swing.

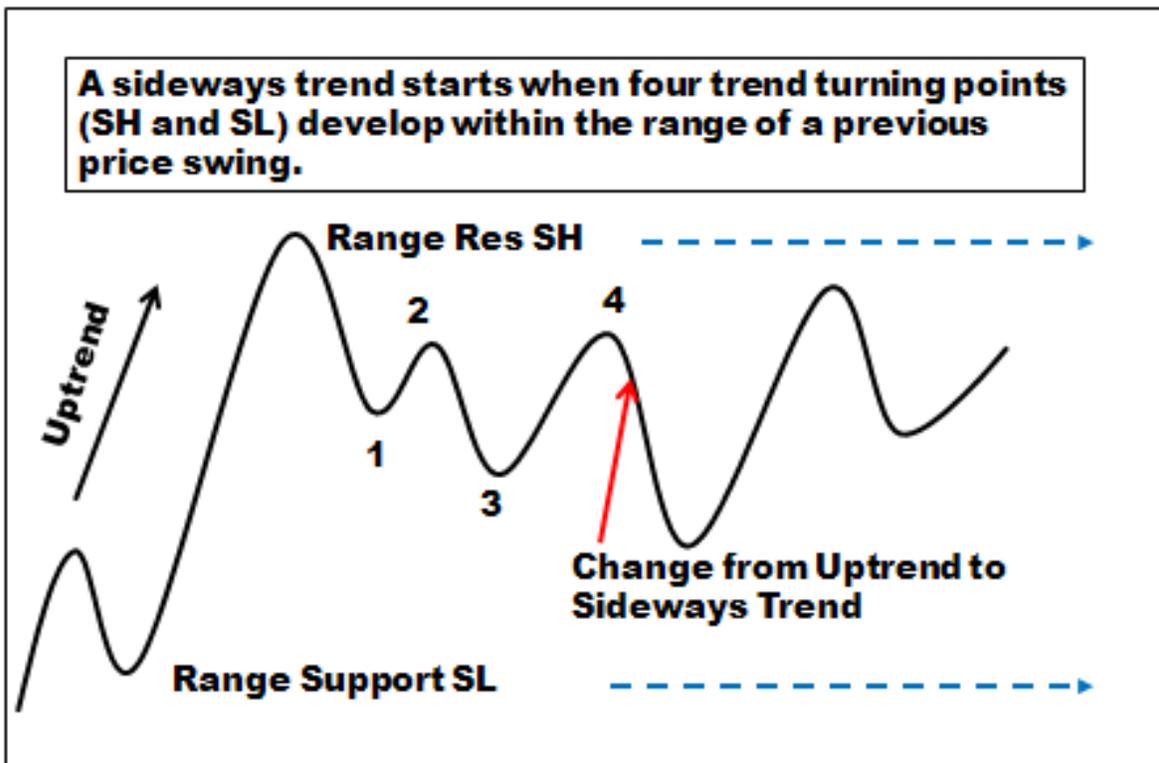


Figure 3.44 – Sideways Trend Start

Less than four turning points may simply be a complex (three swing) pullback rather than a change of trend. Four turn points are required to indicate a change to a sideways trend.

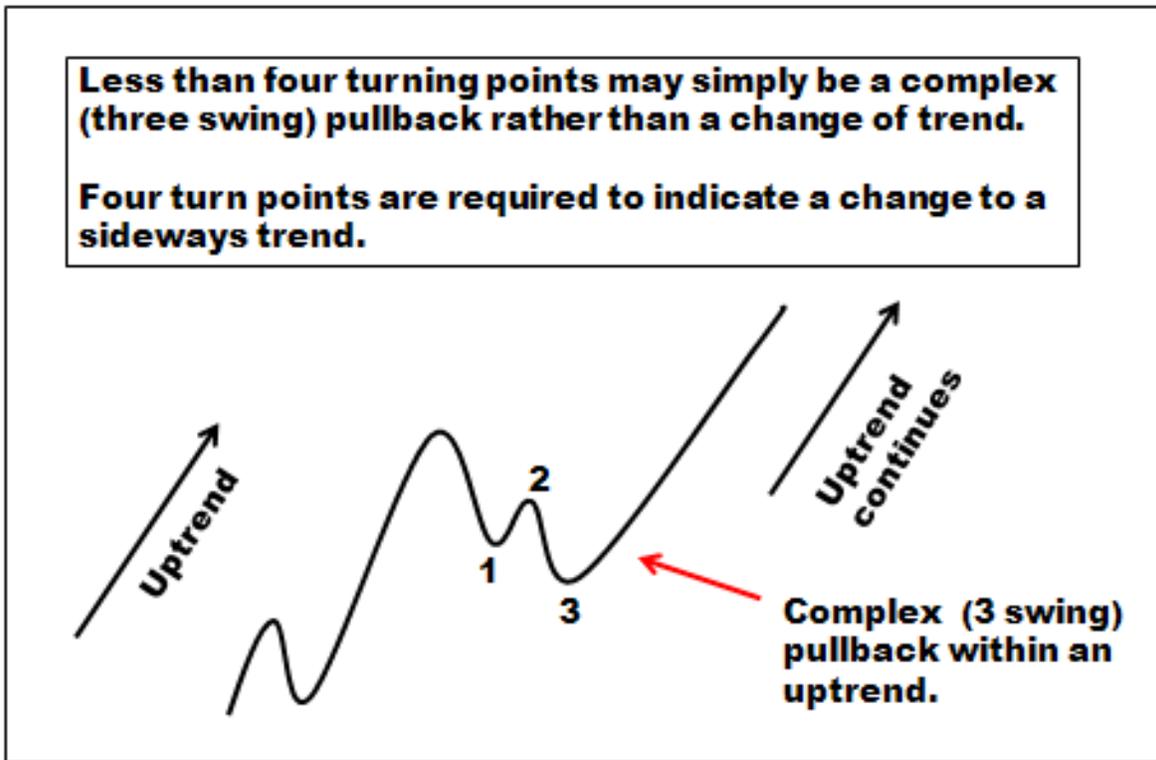


Figure 3.45 – Complex Pullback Vs Sideways Trend

I define the official end of a sideways trend as price breaking either the high or low which define the sideways trend.

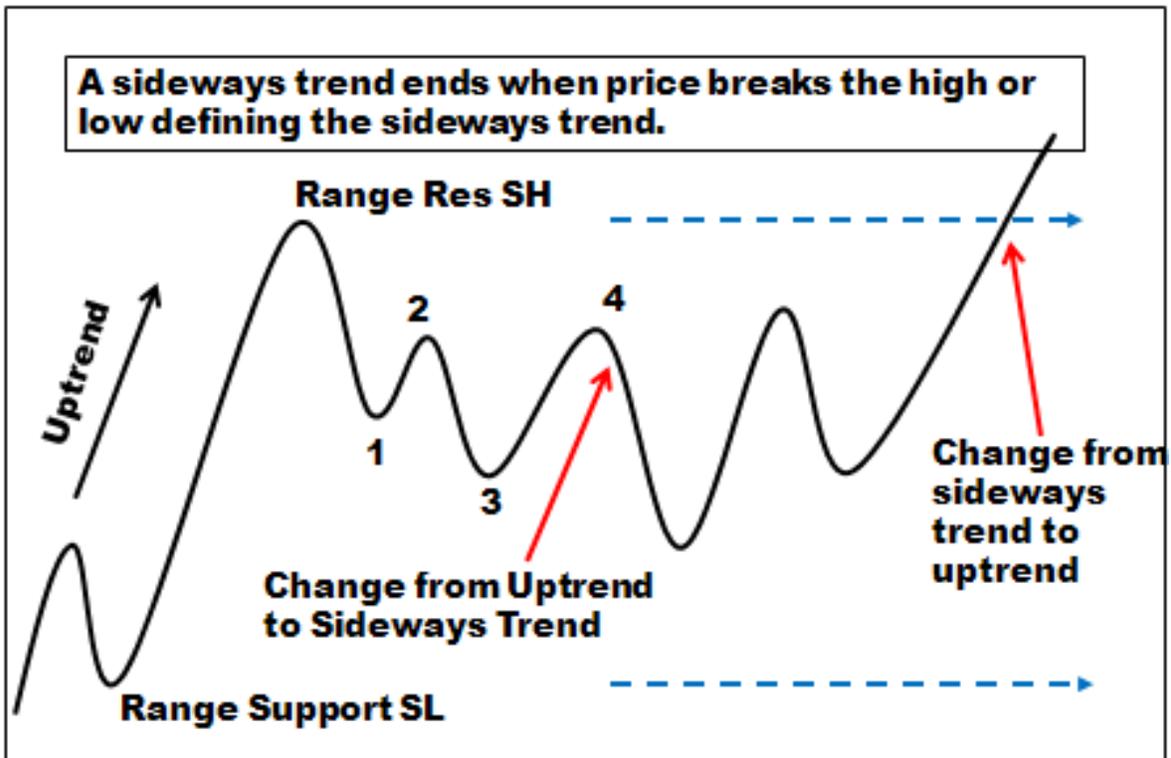


Figure 3.46 – Sideways Trend End

Trend Definition – Applying Subjectivity

As we discovered earlier, the market cannot be defined by fixed rules or mathematical models. It's an emotional beast.

Every attempt to objectively define a trend will break down at some point in time. Regardless of how you define the trend, at some point in time it will produce a pullback that goes just far enough to trigger an *objective trend definition change*, before reversing to continue in the original trend direction.

Subjective definitions are superior, although difficult for newer traders to accept.

A pullback against a trend that triggers an *objective trend definition change*, but then fails, may not change the subjective trend definition.

Let's look at an example...

We have here what is visually easy to identify as a downtrend. Following the strict definition of swing highs and lows, and trend change, we find that the trend changed from a downtrend to an uptrend by one tick (at point 3), before reversing and continuing downwards again.

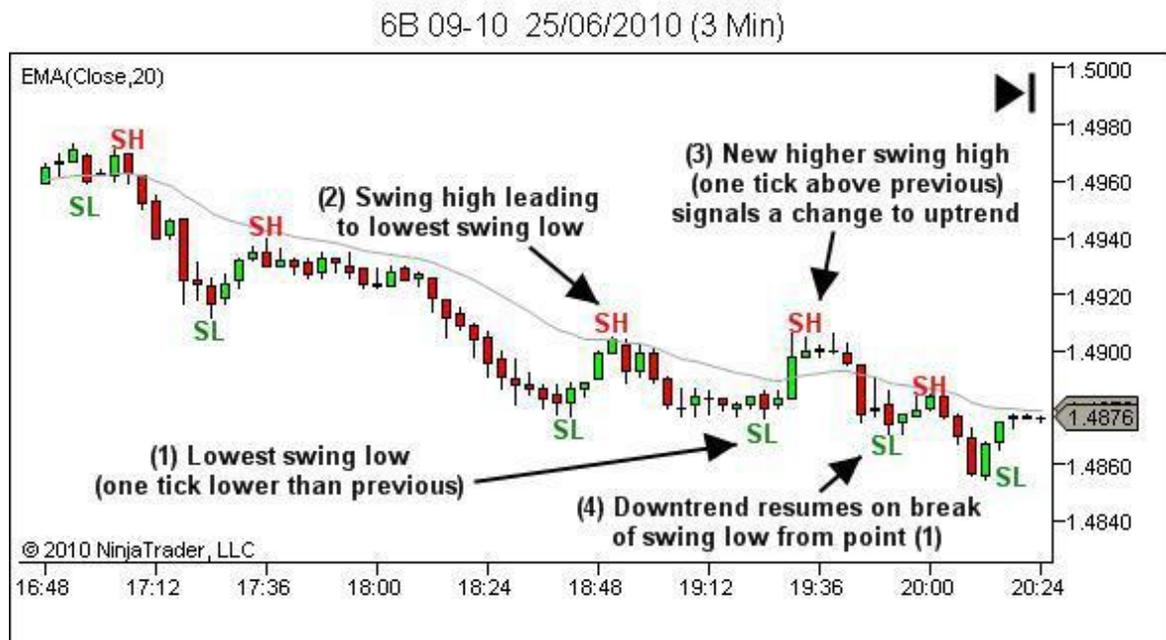


Figure 3.47 - Trend Definition Failure – Swing H/L

Upon making the break, does price quickly reject this new area and return back to the original trend definition, or does price hold the break and then continue?

Let's reproduce the price action from figure 3.47, now 3.49.

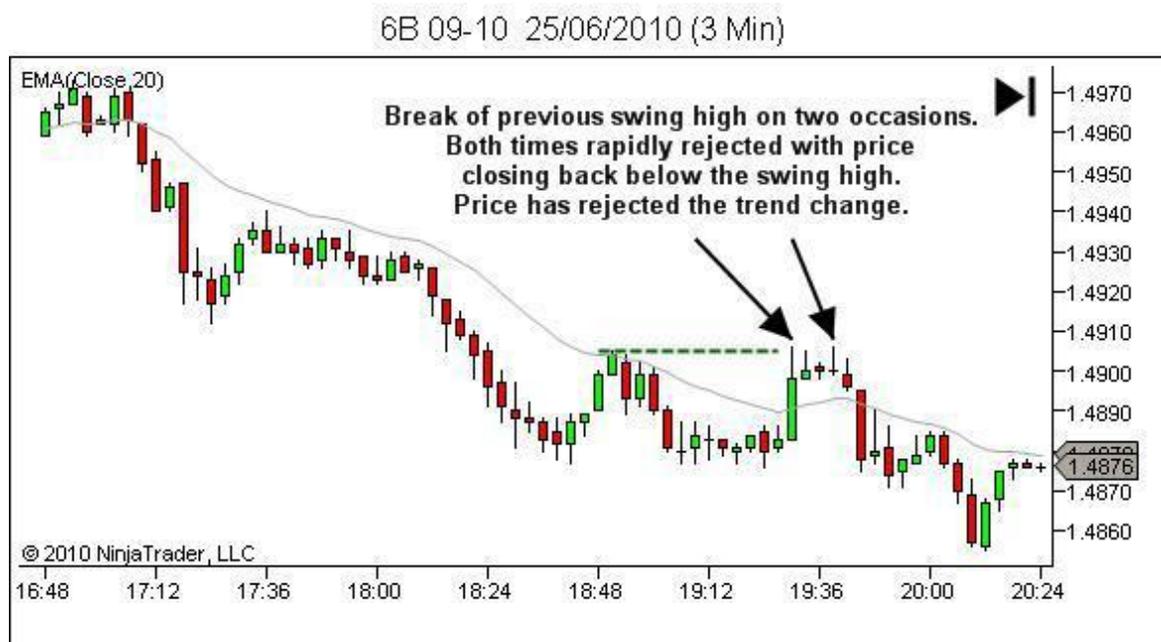


Figure 3.49 - Defining Trend Change through Subjective Assessment of Acceptance or Rejection

In this case, the downtrend now remains intact, as we see no evidence of acceptance of breakout prices. The trend will not be considered to have changed, until we see confirmed evidence of a behavioral change.

Subjectivity allows for breaks of definition – relying on these breaks to show the way forward, through how price reacts at these key times.

Will it hold beyond that level (price acceptance) or fail (price rejection)?

Tests of the areas of *objective trend change* are great sources of information about the *future trend*.

When you think about it, we can take this even further. A subjective assessment of price acceptance after the break of trend definition, really means that the trend is simply whatever it appears to be visually.

This doesn't mean we're totally guessing the trend. We are aware of our swing high/low trend definition, but then apply some subjectivity over top of that.

Essentially, if it looks like an uptrend (price appears to be moving from the lower left to the upper right) it is an uptrend. If it looks like a downtrend (price appears to be moving from the upper left to the lower right) it is a downtrend. Anything else is a sideways trend.

All other rules are secondary to this.

Through practice you will become comfortable with a subjective assessment of trend direction, and also a subjective assessment of which swing highs and lows you consider significant. Our discussion (coming shortly) on assessing the strength or weakness of the trend will assist greatly in your ability to subjectively assess the trend direction at the points of objective trend break. Don't make this more complex than it needs to be.

A trend is a general tendency for price movement in one direction. Your mind is much more capable of identifying this trend, than any objective definition.

And if you get it wrong – price behavior will very quickly alert you to this fact.

Trend Examples

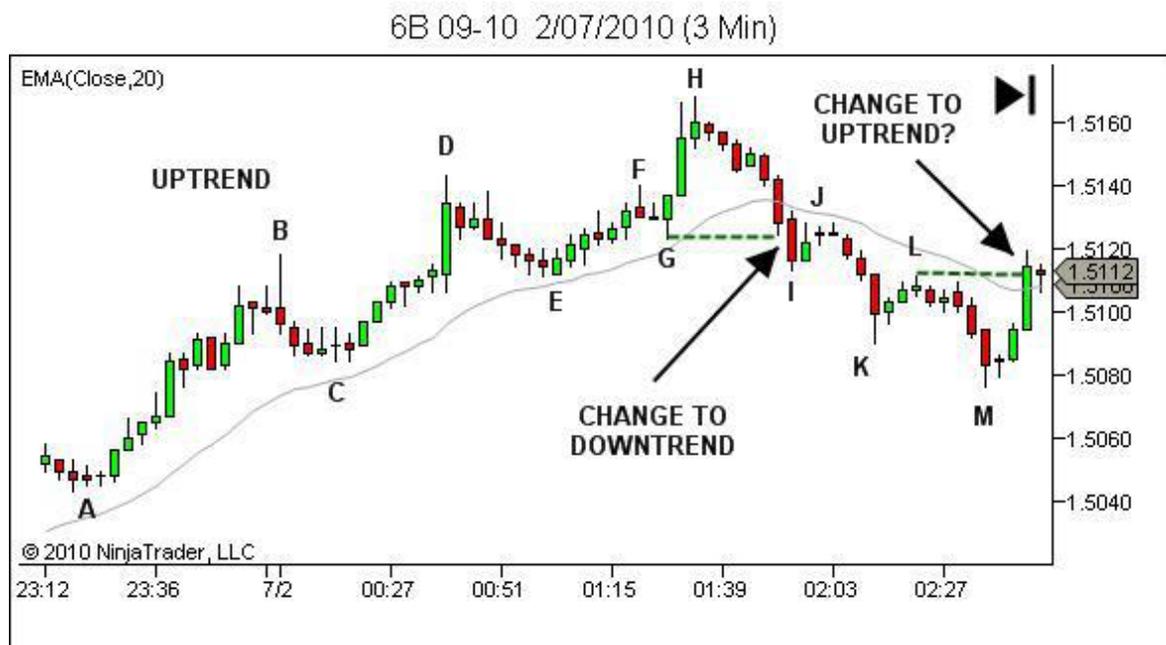


Figure 3.50 – Uptrend – Downtrend - Uptrend

In this first example, we have an uptrend defined by swing low A, swing high B, swing low C, swing high D, swing low E, swing high F, swing low G and swing high H.

I marked F and G due to the significance of G. As a candle which initially moved downwards continuing the move lower after F's retest of D, it then reversed quickly to rally back upwards. The speed of this move will have trapped some shorts in losing positions. It's a significant area and therefore suitable for selection as a swing low. Should price break below this level it indicates a change in the supply/demand dynamics of this market.

Swing low G is therefore the last swing low before the highest swing high H. The change of *objective trend definition* from uptrend to downtrend therefore occurs on the break of the lows of swing low G, as marked.

Applying some subjectivity though, we want to see evidence of price accepting this change. The first close below the trend change level was strongly bearish, and it was followed by three weak bullish candles, indicating a lack of demand (if there was significant demand, price would have rejected the breakout and rallied back up through the level). Continuation lower confirms our trend change.

Also, applying our “if it looks down, then it is down” rule, the acceleration down to I followed by the weak pullback to J, just makes this look like downward strength to me.

The downtrend continues from swing high H to swing low I, congestion J, swing low K, swing high L, swing low M.

Swing high L was the last swing high before swing low M. Price breaking above L indicates a change back to uptrend, in accordance with our objective trend definition.

The next candle shows a pause. Subjectively, a trend change looks a possibility given the rapid move up into the area of L, but more information will be needed in the next candle or two, to accept a change to an uptrend, or reject this and continue down.

In this next example, figure 3.51 below, we have an uptrend defined by swing low A, swing high B, swing low C, swing high D, swing low E and swing high F. Note that swing low E does NOT lead price up to new highs, as swing high F does NOT exceed the highs at D. This means that price breaking below E does NOT trigger a change of trend, but rather a complex pullback. Price would need to break below C in order to trigger a change to downtrend, which of course did not occur in this example.

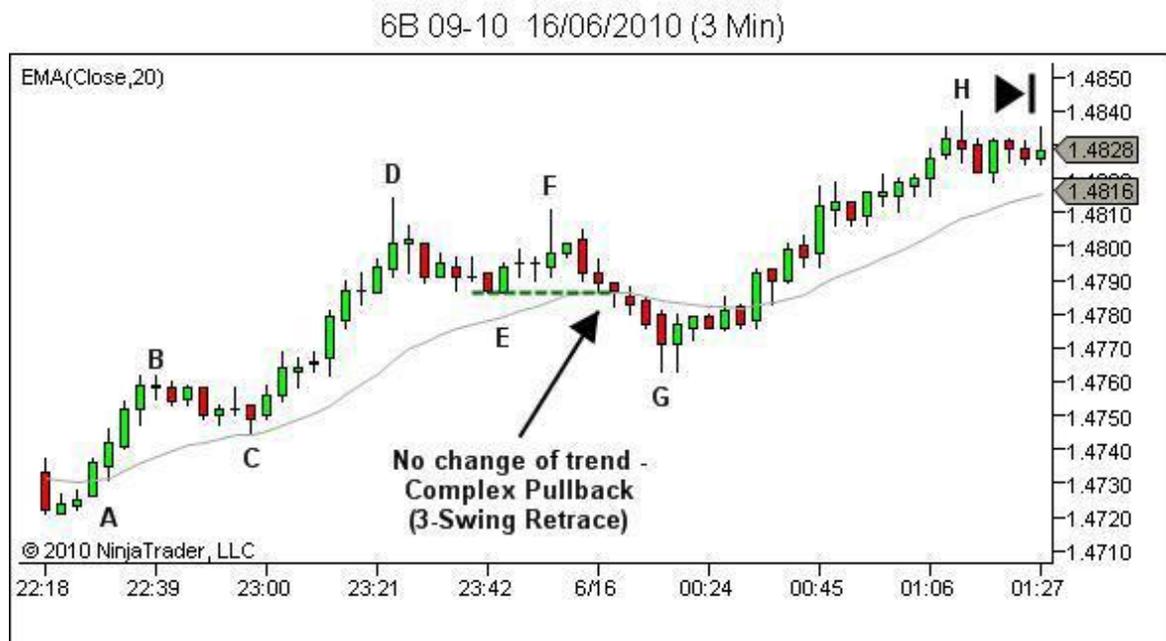


Figure 3.51 – Uptrend with Complex Pullback

The 3-swing retrace through E, F and G was followed by a continuation of the uptrend through to new highs at H.

1) Compare the momentum of the current price swing with the momentum of the previous price swing in the same direction? Is price faster or slower than before? What does that mean?

Refer to the left hand side of figure 3.58, where we see a downtrend weakening and reversing direction to become an uptrend.

Compare the slope of down-swings (a), (c) and (e). Note the decreased speed on each of these legs, indicating a reduction in bearish momentum. Weakness is appearing on the bearish side.

Compare the slope of upswings (b) and (d). Note the increasing speed on each of these legs, indicating an increase in bullish momentum. Bullish price swings are showing signs of strength.

Price movement is more likely to continue in the direction of strength and against the direction of weakness. The market reverses as strengthening bullish momentum overcomes the weakening bearish momentum.

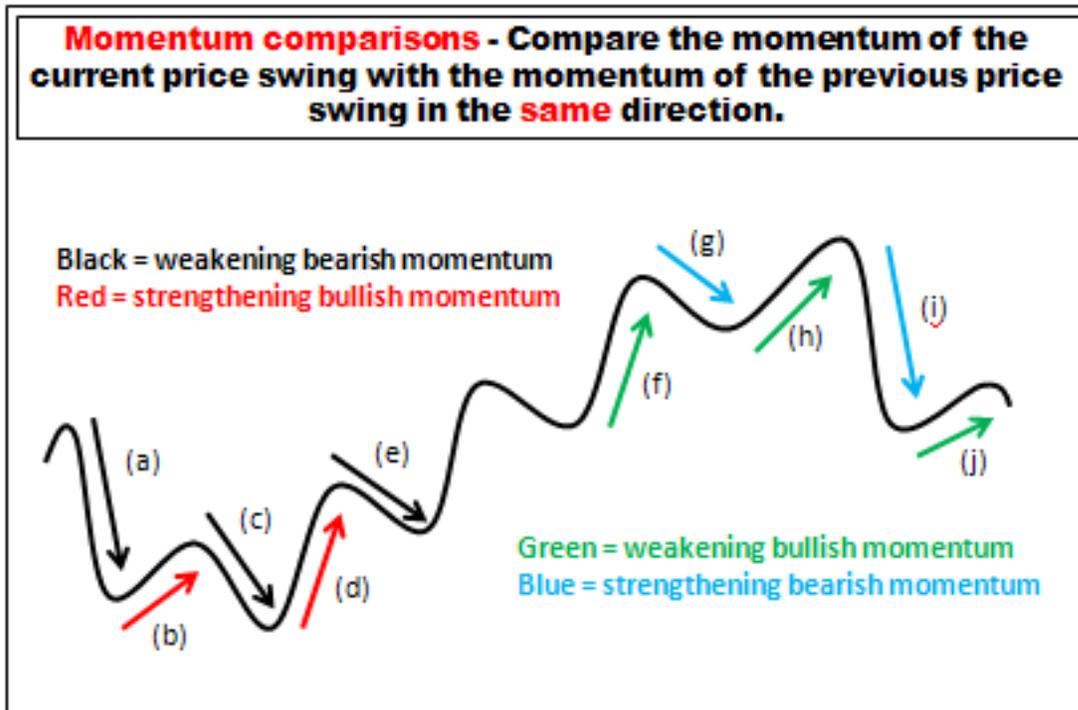


Figure 3.58 - Momentum Comparison – Same Direction Swings – 1 of 2

Refer now to the right hand side, where we see the uptrend weakening and reversing to a downtrend.

Compare upswings (f), (h) and (j). Note the decreasing speed on each of these legs, indicating a reduction in bullish momentum. Bullish price swings are showing signs of weakness.

Compare the downswings (g) and (i). Note the increasing speed on each of these legs, indicating

an increase in bearish momentum. Strength is showing on the bearish side.

Future price direction is more likely to continue in the bearish direction, with the bearish strength and against the bullish weakness.

Of course, not every price swing provides clear signals such as described by the „perfect“ trend of these diagrams.

Often there is no significant difference between the speed of price swings, indicating no change to the current strength or weakness of the price movement.

Referring to figure 3.59 below, you“ll see that a comparison of the speed of price swings (a), (c) and (e) show comparable momentum. No change is noted in bullish strength.

Likewise, no change is observed in bearish momentum through downswings (b), (d) and (f).

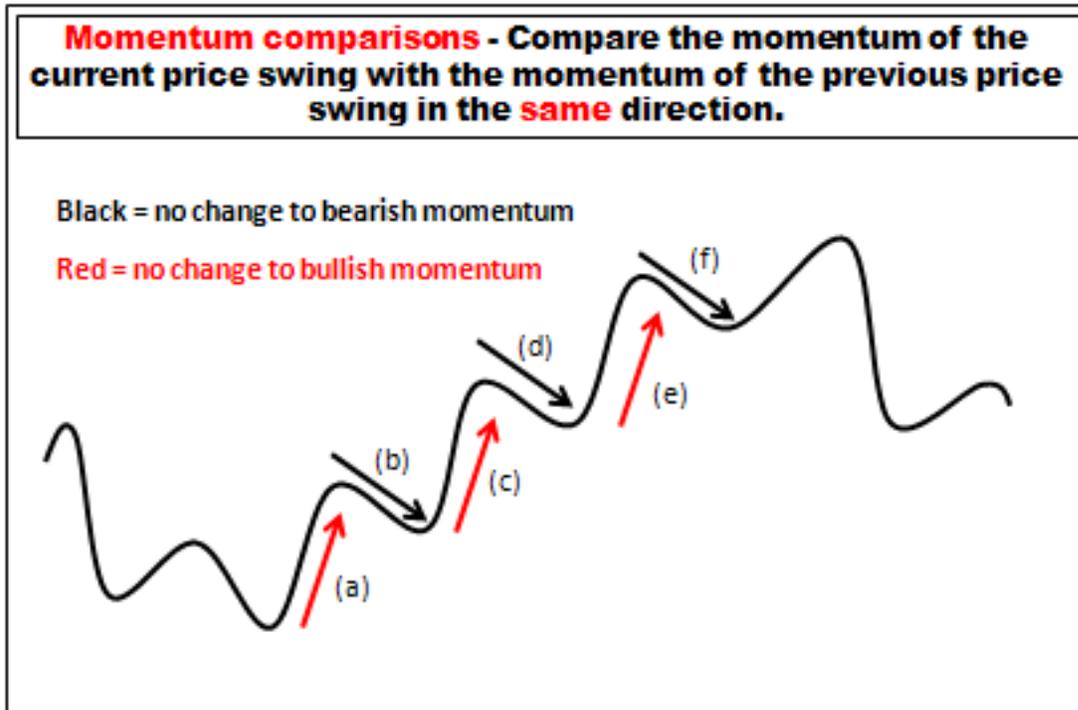


Figure 3.59 - Momentum Comparison – Same Direction Swings – 2 of 2

In the absence of any observable changes in momentum, we expect a trend to continue in its current state.

This will continue until the price action shows evidence of changing momentum; ie. strength or weakness.

2) Compare the momentum of the current price swing with the momentum of the previous

price swing in the opposite direction? Is price faster or slower than before? What does that mean?

Another means of identifying strength or weakness comes through comparing the strength of a price swing with the previous swing in the opposite direction.

That is, comparing the current bullish swing with the previous bearish swing; or comparing the current bearish swing with the previous bullish swing.

Refer to figure 3.60 below. Note the slope of (a) is quite steep (almost vertical) compared with the slope of (b) which is at more of a 45° angle. The latest upswing (b) has shown weakness compared with the previous downswing (a). Strength is still in the bearish direction.

Downswing (c) shows downwards speed comparable to the speed of the previous upswing (b); if anything perhaps slightly stronger on the downside. While strength is still to the bearish side, there's not a great deal of difference between the bearish and bullish sides. More information is required to identify any change in sentiment.

Bullish upswing (d) shows very slight increase in speed compared with the last downswing (c). While the strength is now to the bullish side, it's once again a very small difference.

Bearish swing (e) however shows greatly reduced momentum, compared with bullish upswing (d). Note the shallow angle of (e) compared with the steep rise of (d). Strength is now clearly on the bullish side.

Price movement is expected in the direction of strength and against the direction of weakness. The trend has changed to upwards; and further price movement is expected in this new trend direction.

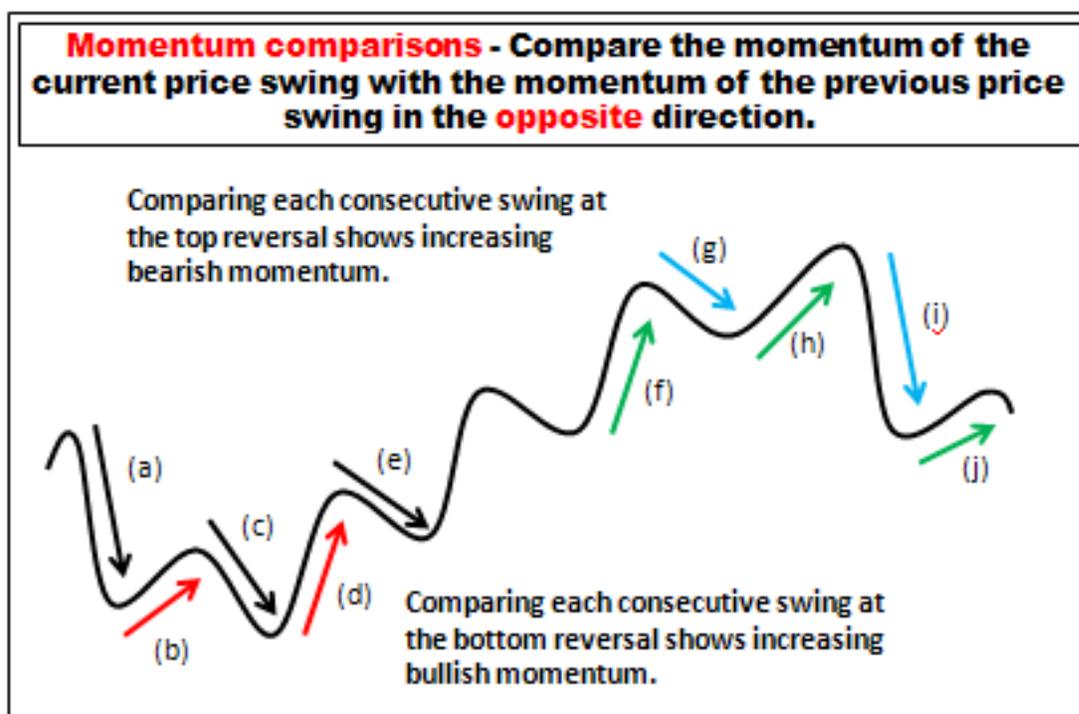


Figure 3.60 - Momentum Comparisons – Opposite Direction Swings – 1 of 2

The same analysis techniques can be applied at the top reversal.

Comparing (f) and (g) show greater upswing momentum than downswing momentum. Strength is still in the direction of the trend.

Swings (g) and (h) show comparable momentum. Further information is required.

Swings (h) and (i) show a change of state. Momentum has strengthened to the bearish side.

This is now confirmed when comparing the momentum of (i) and (j). The momentum of upswing (j) is quite weak when compared to the momentum of downswing (i). Further price movement would be expected in the direction of the new downtrend.

Figure 3.61 below demonstrates why a comparison with the opposite-direction swing can sometimes provide information that is not available through a comparison with the previous same-direction swing.

When comparing the speed of downswings (b), (d) and (f) we note no change to bearish momentum. There is no evidence of weakening or strengthening in the bearish direction.

Similarly when comparing the speed of upswings (a), (c) and (e) we note no change to bullish momentum. There is no evidence of weakening or strengthening in the bullish direction.

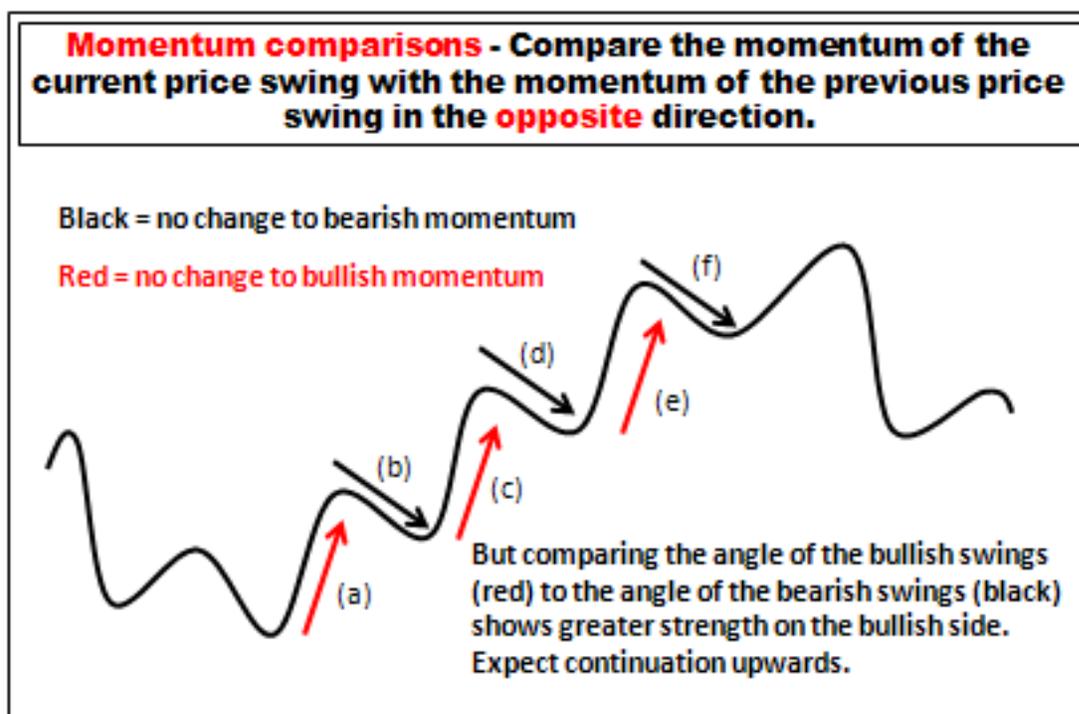


Figure 3.61 - Momentum Comparisons – Opposite Direction Swings – 2 of 2

However, comparing swings in opposite directions does provide us with useful information.

Comparing (a) and (b) we see a steeper bullish swing than bearish swing. Strength is on the bullish side.

The same is evident with all other pairs (b/c, c/d, d/e, e/f) which also show strength to the upside.

3) Is the current price accelerating or decelerating? What does that mean?

Figure 3.62(a), shows price deceleration on an upswing. Momentum is weakening. Note that this does not necessarily indicate a coming reversal. It's simply an indication that the current price swing is weakening and a downside correction is likely. Whether or not that develops into a full trend reversal will depend on subsequent price action.

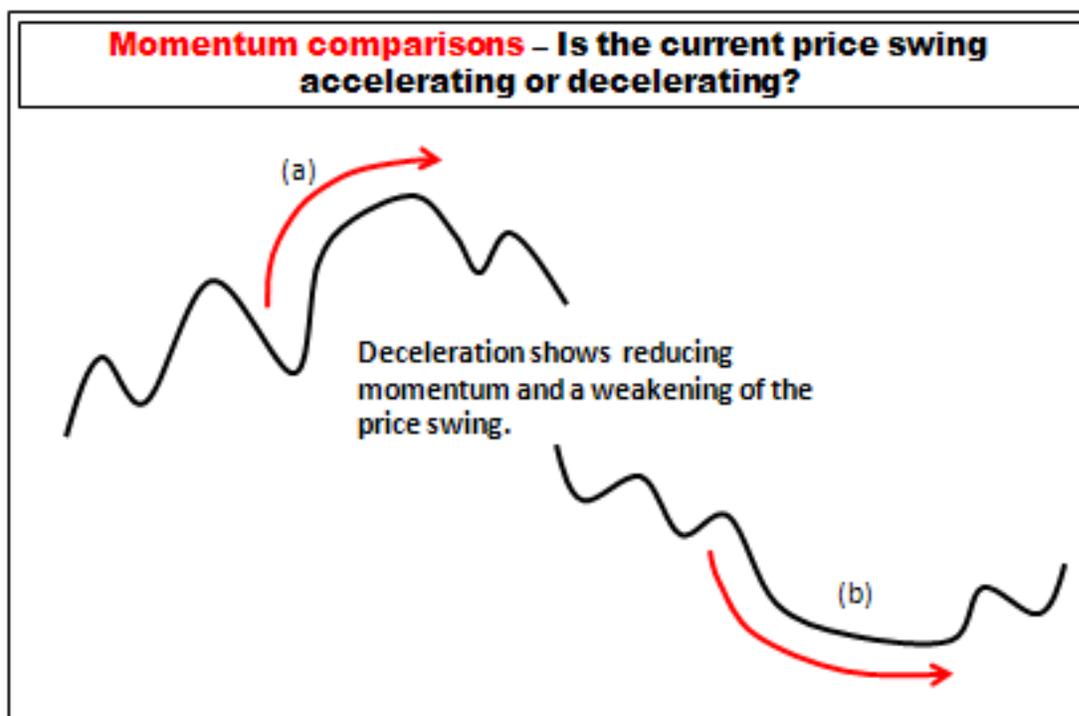


Figure 3.62 - Momentum Comparisons – Deceleration

Similarly, price swing (b) shows a deceleration of the downmove. Momentum is again weakening in the direction of the trend. The next move is likely to be a correction upwards.

Acceleration on the other hand can be much more difficult to analyse.

As demonstrated in figure 3.63 it may indicate a strengthening of the momentum in the current price swing direction, and a greater likelihood of price continuation in that direction.

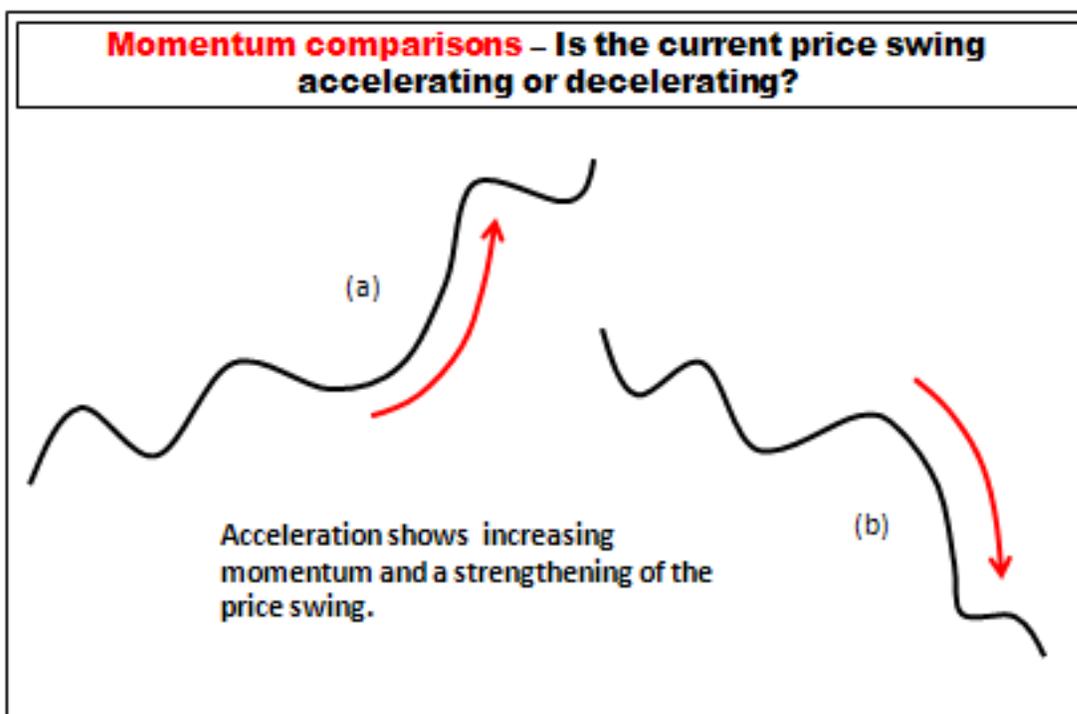


Figure 3.63 - Momentum Comparisons – Acceleration

However, extreme levels of acceleration can indicate weakness from the point of exhaustion of the acceleration, as shown below in figure 3.64. These climactic moves often end violently, forming (at the very least) a strong area of support or resistance, and occasionally a rapid reversal.

These price swings are usually associated with greatly increased price bar range, extension well above or below any average lines, and extremely high volume when compared to prior action.

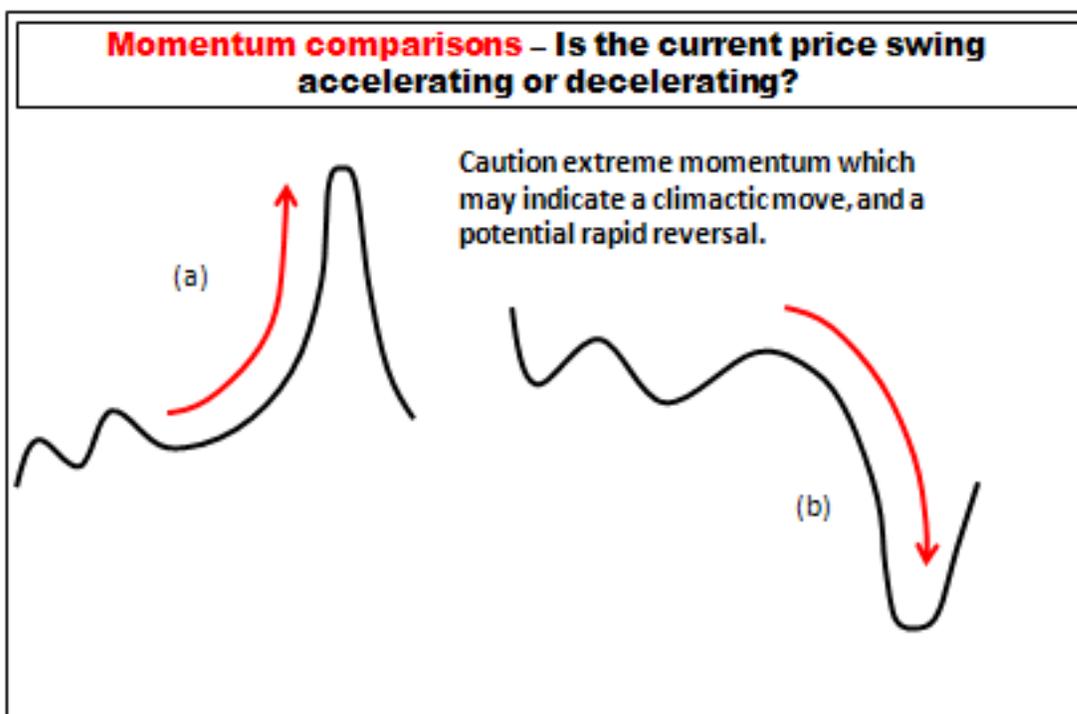


Figure 3.64 - Momentum Comparisons – Climactic Move

Climactic moves such as the bullish price swing (a) represent the last of the emotionally influenced public, desperate to buy into the market at whatever price they can, chasing price higher and higher. When there are no buyers left and the price rally halts, selling into the market reverses price, trapping all the late longs. The reversal can be quite rapid, as these longs are stopped out of their position (sell order) and more shorts are attracted to the market.

Climactic move (b) represents the same process to the downside. Late shorts desperately chasing price lower and lower in panic, along with previous longs in an extreme drawdown exiting at the point where they just can't take the pain any longer. Once the selling is exhausted, the professionals will be buying, driving prices higher and trapping the late shorts into a losing position. Any reversal may again be quite rapid, as the trapped shorts are stopped out of their positions (buy order) and more longs are attracted to the market.

So, price acceleration does indicate strength. But excessive acceleration is unsustainable, and likely to end in climactic exhaustion and potential reversal. Placing the degree of acceleration into the context of background market action will usually identify which of these scenarios is playing out.

Let's examine some charts...

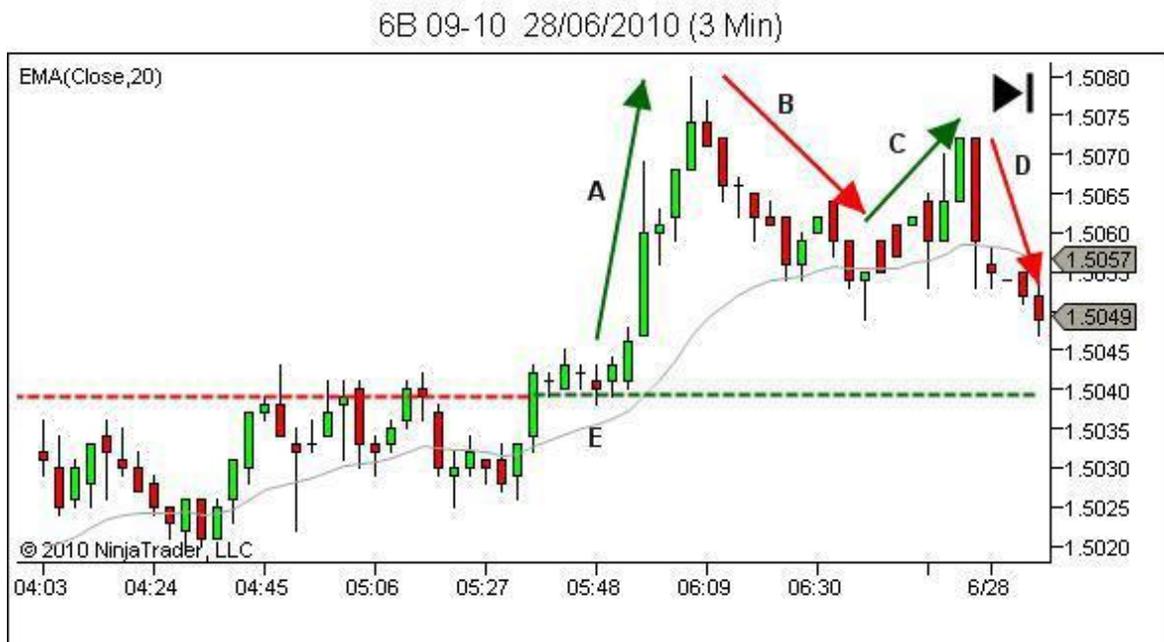


Figure 3.65 - Changing Momentum

Figure 3.65 above demonstrates changing momentum on consecutive price swings of the same direction.

Compare both the extensions, swing A and swing C. Note the slope of swing C is shallower than swing A, indicating reducing upwards momentum. The speed of the price extensions has slowed from swing A to swing C. Bullish momentum is weakening.

Compare both the pullbacks, swing B and swing D. Note the slope of swing D is steeper than swing B, indicating increased downwards momentum. Bearish momentum is strengthening. Both observations show evidence of a weakening of our trend.

Note the trend has not yet changed. A downtrend would not be triggered unless the price swing continued down and broke swing low E (previous swing high resistance and breakout point, now support).

The trend is still upwards. However momentum analysis says it has weakened considerably.

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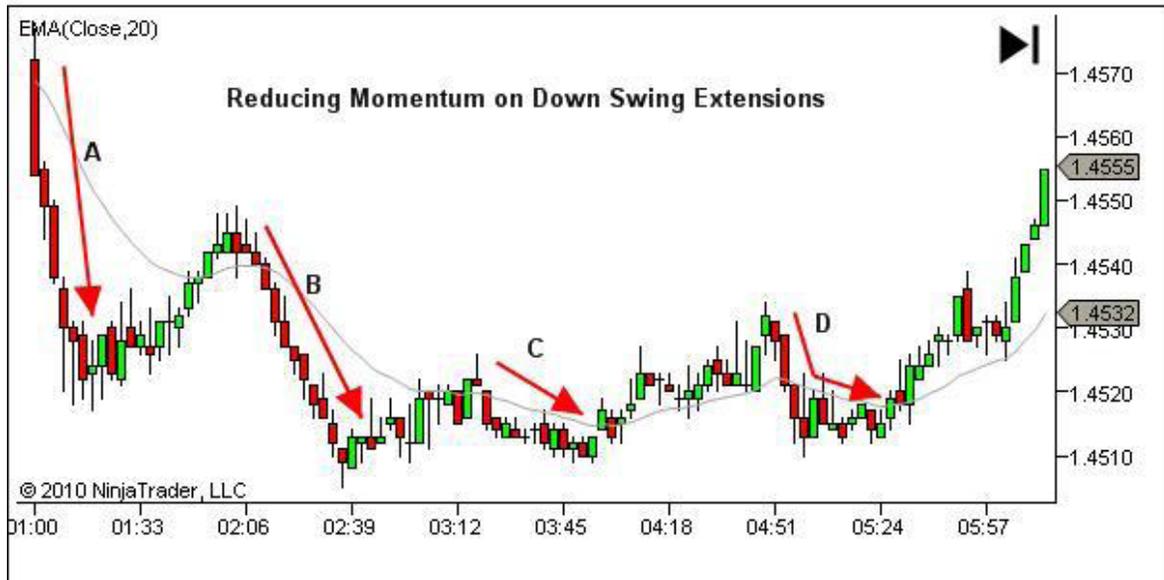


Figure 3.66 - Reducing Momentum

Referring to figure 3.66, note the reducing momentum on each down swing extension, as price forms this rounded bottom formation and creates new support at the 1.4510 level.

As the third swing (C) moves down towards the prior swing low, the reduced momentum should have alerted you to a changing bias. Supply was no longer overwhelming demand to the degree displayed by the initial two drops. Either there was a lack of selling, or it was being absorbed by an increase in buying.

Either way, the balance of power has shifted and the bears are no longer the dominant force they once were.

The downtrend has weakened. Further price movement is more likely against the direction of the weakness (ie. in the long direction).

As stated before, the important point is not any absolute value of momentum, but the comparison of one price swing with another. In this case, reducing speed on each price swing is evidence of a weakening of the downtrend.

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Figure 3.67 - Decelerating Price Swing into an Area of Support

Let's wrap up momentum...

Not every price swing will provide useful information through analysis of momentum. However we monitor momentum as price moves in order to note any significant changes. These may display via a change in speed from one swing to another (changing slope), or a change in speed within one price swing (acceleration or deceleration).

Compare the momentum of the current price swing with the momentum of the previous price swing in the same direction? Is price faster or slower than before? What does that mean?

Compare the momentum of the current price swing with the momentum of the previous price swing in the opposite direction? Is price faster or slower than before? What does that mean?

Is the current price accelerating or decelerating? What does that mean?

Projection & Depth

Strengthening or weakening of a trend may also be observed through analysis of **Projection** and **Depth**.

Projection refers to the distance with which a price extension projects past the previous swing high (in an uptrend) or swing low (in a downtrend).

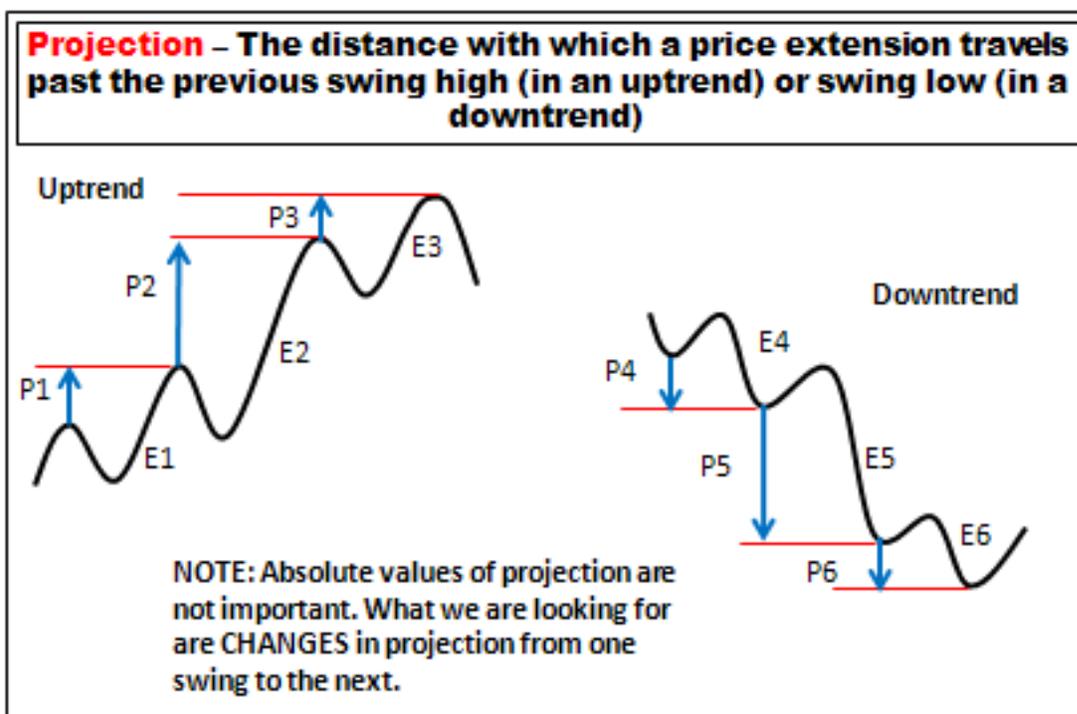


Figure 3.73 - Projection

Referring to the uptrend within figure 3.73, we see the price action shows three price extensions E1, E2 and E3. The projection of each is displayed as P1, P2 and P3. P1 is the distance with which E1 projects (or travels) beyond the previous swing high. P2 is the distance with which E2 projects beyond the previous swing high. And P3 is the distance with which E3 projects beyond its previous swing high.

The important information is not so much the distance, but changes when comparing one projection with the next.

Note the increased projection of E2 (P2) when compared with E1 (P1). Extension E2 projects much further than E1 did, indicating greater strength within the trend.

P3 is then much shorter than P2, indicating weakness developing with the trend.

The downtrend shows similar information. Projection P4 is the distance with which Extension E4 travels past its previous swing low. And so on for P5 and P6.

P5 shows greater distance than P4, indicating increased downtrend strength. P6 shows a decrease in projection compared to P5, indicating possible downtrend weakness.

Increased projection is a sign of potential trend strength. Decreased projection is a sign of potential trend weakness.

Let's see a chart example:

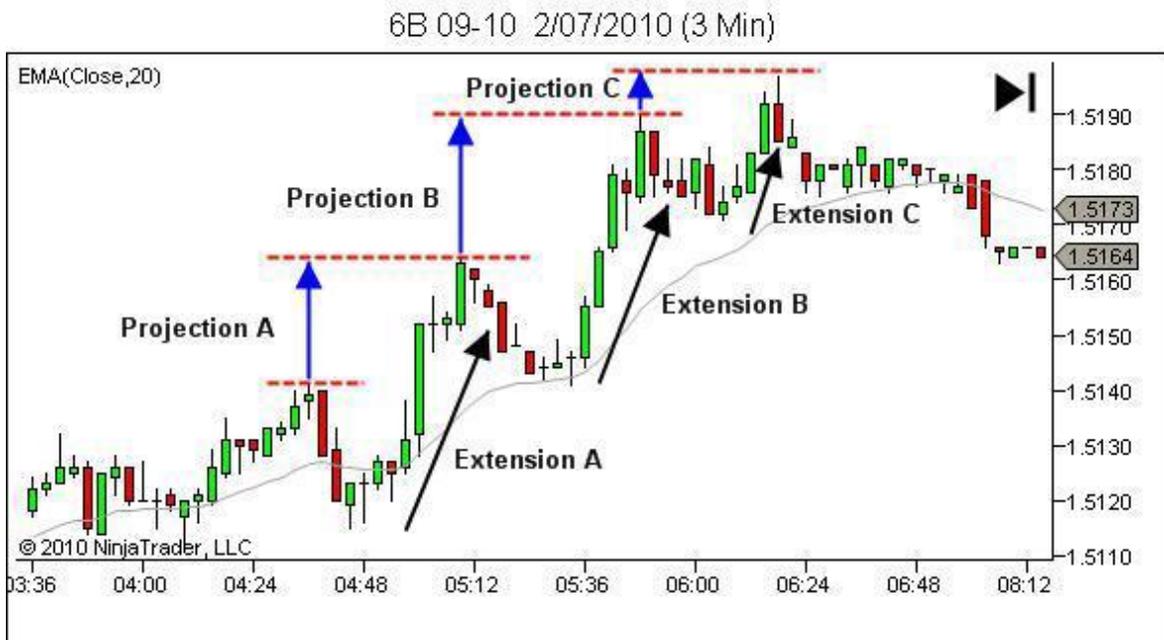


Figure 3.74 - Projection on a Chart

Projection A is the distance with which Extension A carries past the previous swing high. In this case the projection is equivalent to 45% of the whole Extension A range.

Projection B is the distance with which Extension B carries past the previous swing high. In this case the projection is equivalent to 52% of the Extension B range.

Projection C is the distance with which Extension C carries past the previous swing high. In this case the projection is equivalent to only 25% of the Extension C range.

In conducting analysis you do NOT have to work out percentages. We are not concerned with absolute values of projection, but simply looking for changes which are visually obvious.

In this example, Extensions A and B are easily able to break and move to new highs. Extension C though is unable to project to the same distance. Something has shifted in the balance of supply and demand. If there was no change from previous sentiment, then the extension should have carried through approximately the same distance as previously occurred. The fact that the market was unable to do so indicates either a decrease in bullish pressure and/or an increase in bearish pressure.

The uptrend is showing signs of weakening.

Depth refers to the distance with which a pullback retraces the previous extension.

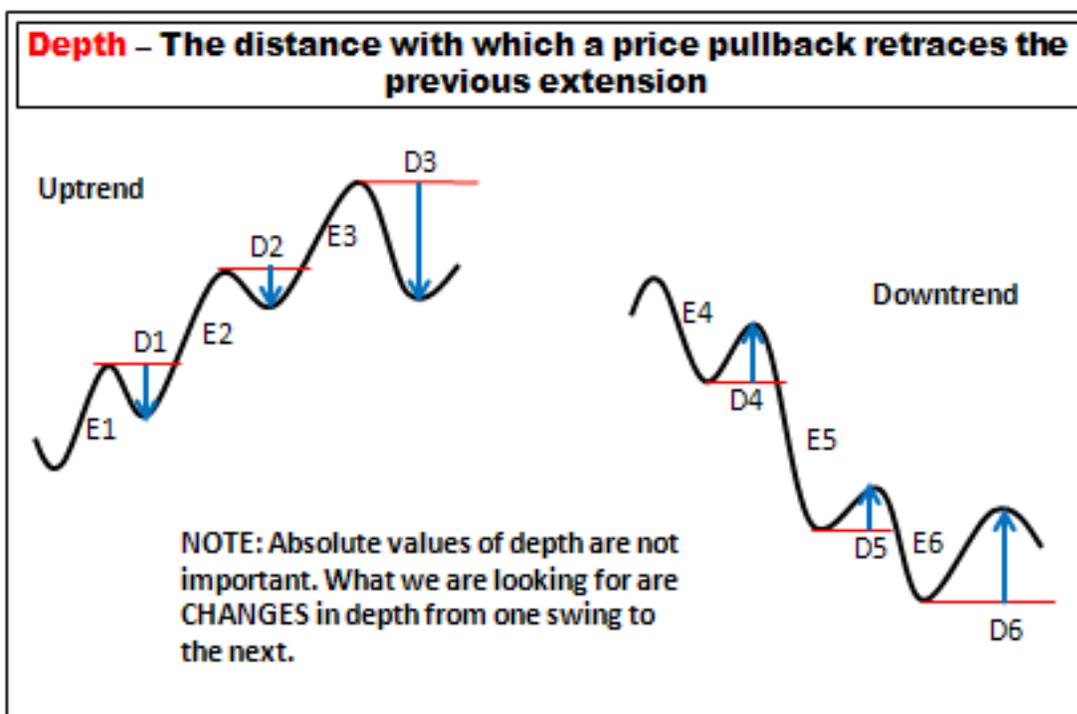


Figure 3.75 - Depth

Looking at the uptrend in figure 3.75, we see three extensions E1, E2 and E3.

Depth D1 is the distance with which the pullback retraces E1 (think in percentage terms, rather than price values).

D2 is the depth with which the pullback retraces E2. And D3 is the depth with which the pullback retraces extension E3.

As with projection, we are not greatly interested in the absolute values of depth; rather we note significant changes of depth from one price swing to another.

Note that D2 is a much smaller percentage of its extension E2 (approx 20%), when compared to D1 (approx 40%). D2 has smaller depth than D1, indicating a potential weakening of the bears, and therefore strength within the price trend.

Note that D3 is significantly larger than D2, indicating potential strength within the bears, and therefore potential weakness within the price trend.

The same concept applies to the downtrend.

D5 is showing greatly reduce depth when compared with D4 (remember we compare D5 as a percentage of E5 (approx 20%) with D4 as a percentage of E4 (approx 60%)). Reduced pullback depth in a downtrend is a sign of potential weakness in the bulls, and therefore potential strength in the downtrend.

D6 is showing a much greater percentage depth than D5, indicating potential strength in the bulls and therefore potential weakness in the trend.

Increased depth is a sign of potential trend weakness. Decreased depth is a sign of potential trend strength.

Let's now examine depth on the same chart we used for projection, displayed again as figure 3.76 below.

Depth A is the percentage with which the pullback retraces the range of Extension A. In this case Depth A is a pullback equivalent to 45% of the Extension A range.

Depth B is the percentage with which the pullback retraces the range of Extension B. In this case Depth B is a pullback equivalent to 40% of the Extension B range.

Depth C is the percentage with which the pullback retraces the range of Extension C. In this case Depth C is a pullback equivalent to 85% of the Extension C range.

As with our projection analysis, we're not interested in absolute quantities, but rather in observing changes within the depth when comparing the current swing with previous swings.



Figure 3.76 - Depth on a Chart

The increased depth of pullback C indicates increasing bearish pressure and a potential weakening of the trend.

It's wrong to make assumptions such as a 38% pullback is shallow, a 50% pullback is normal and a 62% pullback is extreme. The depth of pullback that should be considered normal is dependent on the current market environment.

In a volatile trend environment, deep pullbacks may be the norm, as demonstrated below in figure 3.77.

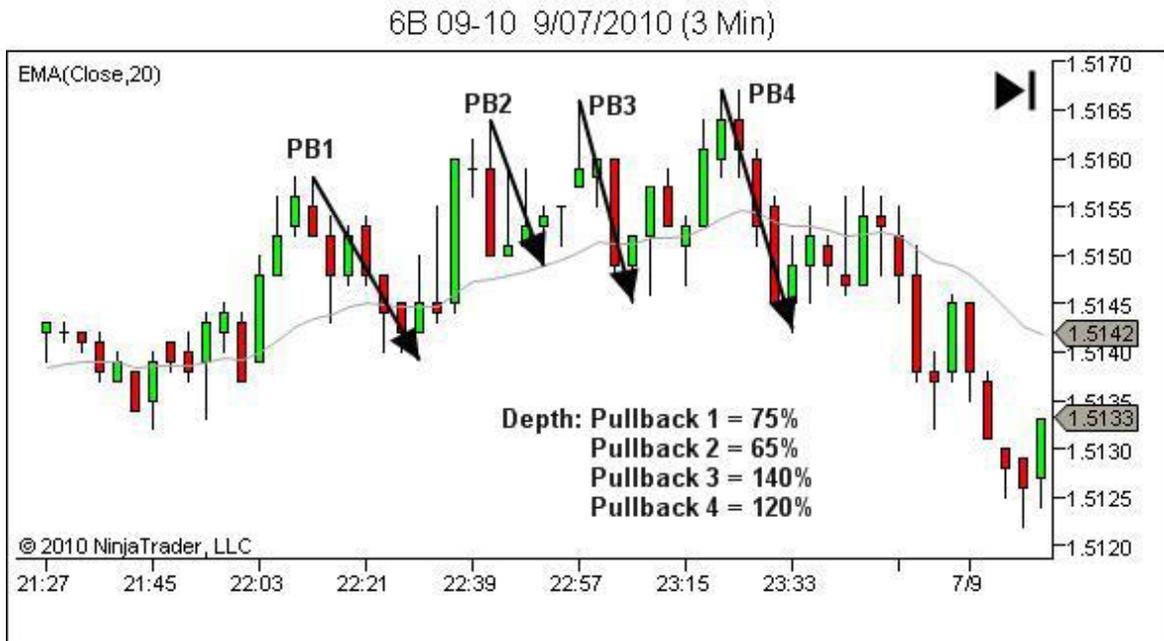


Figure 3.77 - Deep Pullbacks within a Volatile Trend Environment

In this trend, pullback depth of 65-75% was considered normal. Weakening of the trend was observed only when we had deeper pullbacks, PB3 and 4, which exceeded the length of their extensions. This was a clear sign of the balance of power shifting towards the bearish side. The trend is showing clear signs of ending.

To summarise projection and depth...

What we're seeking through our analysis is evidence that something has changed – a shallower or deeper pullback or extension. If sentiment had remained as before, then the pullback or extension would have been in line with previous pullbacks and extensions. The fact that something has changed in the market indicates a change in sentiment. Analyse the change – what does it mean from the perspective of supply and demand? What does it mean from the perspective of other traders and their decisions, thoughts and emotions?

While these changes are often evident through your momentum analysis, it's not always the case. And in many cases analysis of projection and depth is the easiest way to spot shifting sentiment within the price action.

Failure to Continue

Closely related to momentum and projection/depth, is a concept which I call *Failure to Continue*. You'll often see patterns on the chart which create an obvious expectation (within the uninformed crowd) for future price movement. When that future price movement fails to meet expectations, the market provides us with clues as to the strength or weakness of the underlying price trend.

Refer to figure 3.78 below for an example.

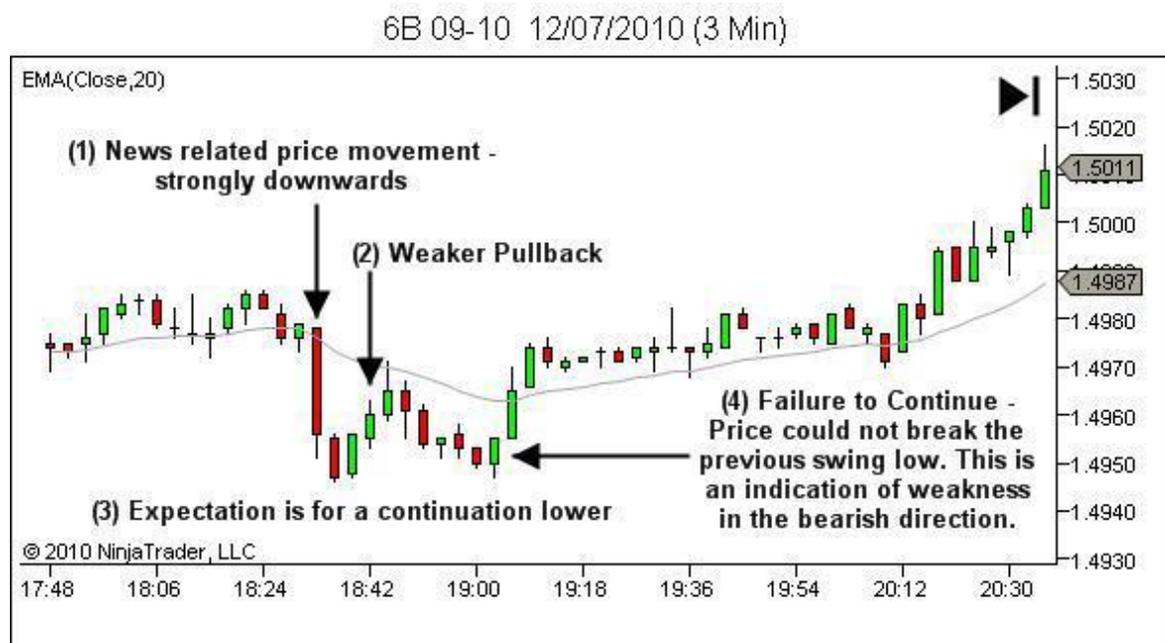


Figure 3.78 - Failure to Continue

Following a strong fundamentally-influenced impulse downwards, and a weaker pullback, the obvious expectation is for a continuation of the move down breaking to new lows.

Failure to meet that expectation demonstrates weakness in the bearish direction.

This weakness may be easily observed through analysis of price swing momentum, or analysis of projection and depth. Often however, the easiest way to observe this weakness is through a simple failure to meet expectations, or *failure to continue*.

Failure to Continue doesn't only involve failure to break a high or low, as in the above example. It might also display as a break of that level which quickly fails.