

## BREAKOUT

### Bloomberg definition

Occurs when the price of a security increases above its previous high point, or falls below its previous low point. In a breakout, the security is expected to continue in the same direction for some time.

### Stockcharts definition

Price of a security emerging from a previous trading pattern. The new price "breaks out" above the high (or below the low) trading pattern lines that enclose all other prices for that security in the preceding period. Breakouts are used by technical analysts to predict substantial upside or downside movement.

### TPA explanation

**Breakouts can be significant indications that the former pattern has ended and a security will now continue in the direction of the breakout.** Heavy volume can be a confirmation of a breakout and the breakout direction will be the new direction.

Examples of breakouts below:

