

Fake Breakdowns with Shakeouts and Undercuts

Shakeouts are market's technical test to shake out the weak hands before confirming the strong setup.

A fake breakdown or a shakeout occurs when the market briefly dips below a key support level or consolidates in a way that triggers stop-loss orders, only for the price to quickly reverse and move back above that level. This often traps weak traders who react impulsively.



Pro-Setups

identifies 3 types of fake breakdowns for you.



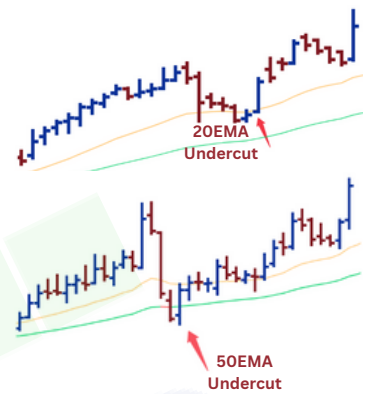
Where price breaks a swing low but closes above the high of the breakdown day within next 7 days on high volume



Where price makes a new 5 day low, but closes with high closing range (DCR) and high ADR on high volume



20EMA and 50EMA Undercuts



The Biggest Pump Comes AFTER THE SHAKEOUT

While shakeouts can create short-term volatility and uncertainty, they often play a crucial role in shaping long-term market trends by purging weak participants, facilitating institutional accumulation, and setting the stage for renewed growth phases.



Market Manipulation: Large institutional players may intentionally create shakeouts by pushing prices through key levels to trigger stop-loss orders from retail traders. This manipulation can lead to a quick reversal as the larger players capitalize on the resulting liquidity.

Impact

An undercut that quickly reverses, signals that **weak hands have exited**, paving the way for a cleaner uptrend.

The ability of institutional investors to absorb sell-offs and push prices back up can set the stage for sustained bullish trends following a shakeout.

Breakout Confirmation: If the undercut rally leads to a **breakout above a prior swing high**, it strengthens the case for continued upside.

Aggressive traders might re-enter positions if the stock **regains key EMAs** such as 20/50EMA with strong momentum.

Points to remember

If the broader market is in an **uptrend**, shakeouts tend to have higher success rates.

Institutional Clues: Fake breakdowns accompanied by **high volume** often indicate smart money accumulating shares.

Focus on significant support and resistance levels.

Be Patient: Wait for confirmation of a reversal, such as a close above the broken support level, before making a decision

Keep an eye on **broader market conditions and news** that could influence trader behavior and sentiment, as these factors can contribute to shakeouts.

How can Pro-Setups help you?



Real-time Alerts sheet & Telegram Alerts group notifies you for shakeouts as and when they happen during the market hours.

Shakeouts	Low Cheat Breakouts	Cheat Breakouts	Swing High / Pivot Point Breakouts
NSE:GAIL	NSE:ARKADE	NSE:RAILTEL	NSE:PLATIND
NSE:SOFTTECH	NSE:ABDL	NSE:LIKHITHA	NSE:SUNCLAY
NSE:DPARHUSHAN	NSE:FLAIR	NSE:INDOSTAR	NSE:DRCSYSTEMS
NSE:SUNDARMEIN	NSE:BOROBRENEW	NSE:NEWGEN	NSE:MARINE
NSE:MODIRUBBER	NSE:IRCON	NSE:HUDCO	NSE:CREATIVE
	NSE:SHAND	NSE:VBL	NSE:SKIPPER

Volume Alerts	15:29
Pro-SetupsBot: Pocket Pivot Volume: ...	
Breakout Alerts	15:16
Pro-SetupsBot: IV Breakouts: CREDIT...	
Other Alerts (Shakeouts, Gap Ups)	15:23
Pro-SetupsBot: Shakeouts: STYLEBAAZA	
20EMA & 50EMA Undercuts	15:05
Pro-SetupsBot: Undercuts 50EMA: MANY...	
GMMA Cloud Alerts	14:33
Pro-SetupsBot: Blue dots in Uptrend yest...	

Our **Pro-Setups Dashboard** lets you scan for Shakeouts in just one click.

Chart / Candlesticks Patterns

Probable VCP	Minervini's TTC	Flags
3WTC	Inside Bars / Mini Coil	Undercuts & Shakeouts
123 Shaper		

Undercuts & Shake...	Record Count
✓ Shakeouts	2
✓ 50EMA Undercuts	2
✓ None of the above	1.6K

