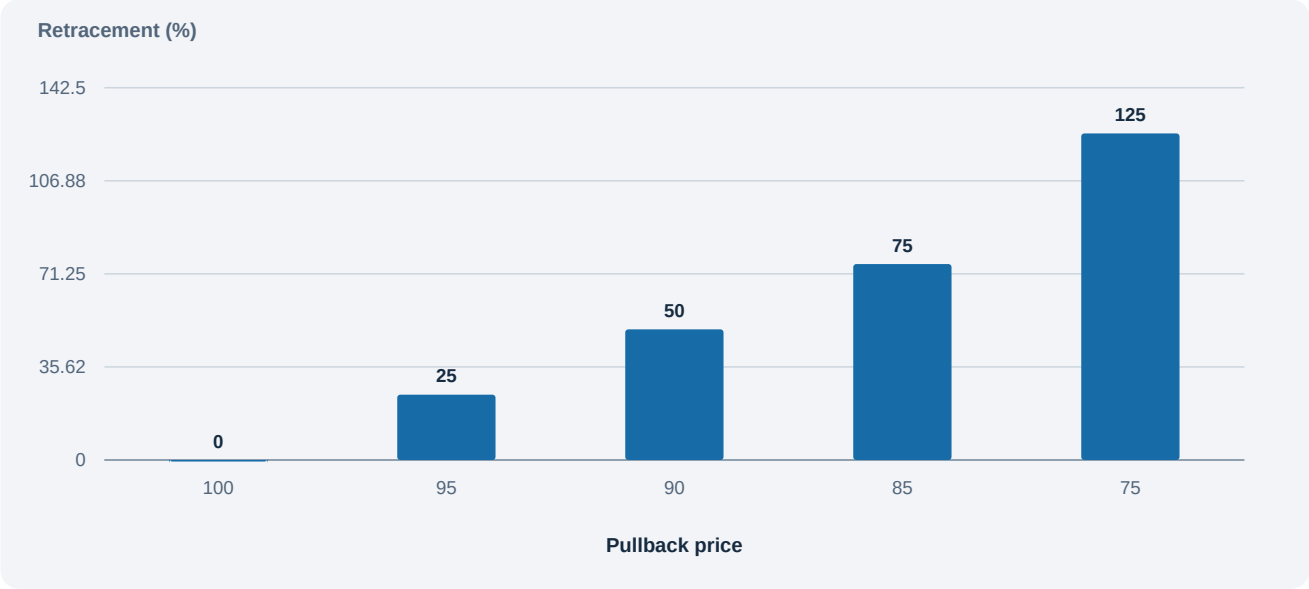
Retracement depth of an upswing

Auction and levels | Original synthetic example | Edition 2026-11-26

Retracement depth compares a pullback from an identified swing high with the size of the preceding upswing. The chosen swing anchors determine the result and should be selected by a fixed rule.

FORMULA Depth = (swing high - pullback price) / (swing high - swing low)

SCENARIO 01: Upswing from 80 to 100; pullback depths



WORKED EXAMPLE

A pullback to 90 retraces 50%; a move to 75 is 125% and has exceeded the original swing.

COMMON MISTAKE

Choosing anchors after seeing the outcome can make an arbitrary move fit a preferred percentage.

BEFORE YOU USE THE CALCULATION

1. Fix swing-selection rules.
2. Keep the direction explicit.
3. Allow depths above 100 percent when the swing is exceeded.

COMPARE TWO MORE INPUT SETS

Scenario 05: Upswing from 120 to 140; pullback depths. A pullback to 130 retraces 50%; a move to 115 is 125% and has exceeded the original swing.

Scenario 10: Upswing from 170 to 190; pullback depths. A pullback to 180 retraces 50%; a move to 165 is 125% and has exceeded the original swing.

Synthetic values are not historical market data. Educational material; trading can result in substantial losses.