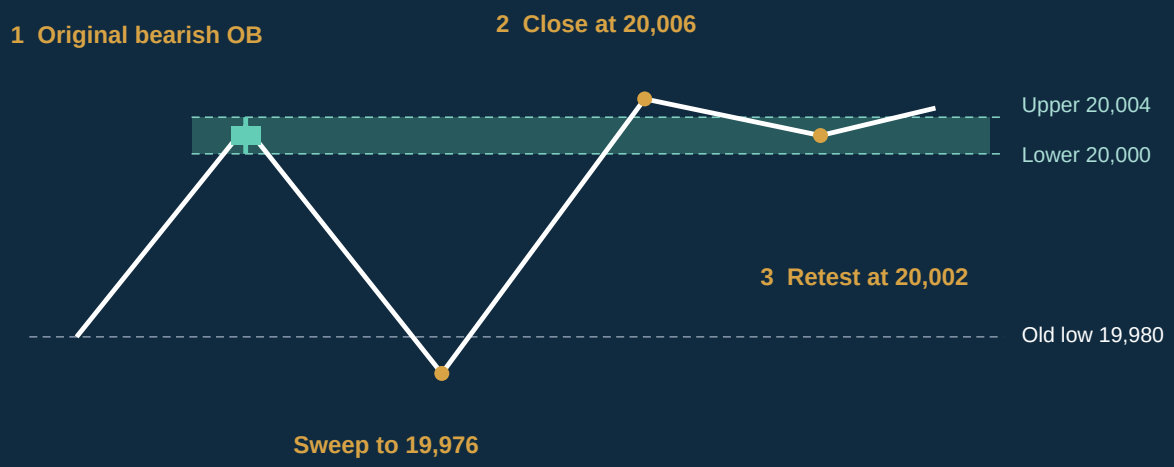
Breaker Block Field Guide

Formation, retests and risk - a printable companion to the English SMC lesson.

Start with an order block that was selected before its failure. A broken bearish OB can become a bullish breaker candidate; a broken bullish OB can become a bearish candidate. Keep its original candle range on the chart.

The same zone changes role

Hypothetical price path. Origin candle shown in green.



Fixed zone: 20,000-20,004. A retest does not guarantee a trade or profit.

Read the sequence in time

Before the flip: the example has a bearish OB at 20,000-20,004 and an old low at 19,980. Price then sweeps to 19,976.

Formation: a completed candle closes at 20,006, above the selected zone and swing high. Under this close-based model, a wick above the edge followed by a close inside is insufficient.

Return: price retests at 20,002. The separate confirmation reference is 20,005. Use the executable price available after confirmation; the candle close is not a guaranteed fill.

Breaker or mitigation block?

Under the stricter swing distinction, a breaker first exceeds the old high or low. If this decline stops at 19,984 instead of passing below 19,980, it is a failed-swing mitigation sequence. Some tools call any failed OB a breaker; compare their actual detection rules.

Mirror for a short: start with a bullish OB, sweep a prior high if required, confirm the downward break, then observe a return from below for resistance.

Keep the source object clear: OB = selected origin candles; breaker = that failed OB from the other side; IFVG = an invalidated three-candle fair value gap.

Full illustrated lesson: homedadpro.com/en/breaker-block/

Plan the retest

A correct direction can still leave too little reward space.

Hold the protective stop at 19,999 and the previously identified target at 20,017. Changing only the entry price changes the trade:

Same stop and target	Earlier entry	Later entry
Entry	20,005	20,009
Stop	19,999	19,999
Target	20,017	20,017
Risk distance	6 points	10 points
Reward distance	12 points	8 points
Gross reward / risk	2R	0.8R

Translate the stop into dollars

MNQ is $2 per index point per contract; its 0.25-point tick is $0.50. At entry 20,005 and stop 19,999, gross risk is $12 per contract. The twelve-point target represents $24 gross.

With a **hypothetical $4** round-trip cost and execution allowance, modeled loss is $16 and modeled target profit is $20 per contract. This assumption is not a broker fee quote.

An assumed $60 risk budget fits **3 contracts**: $48 modeled risk and $60 modeled target profit. Four contracts would risk $64. Net reward / risk is 1.25, compared with 2R before costs.

Wider stop, different plan: a stop at 19,975, below the swept low, is thirty points from the same entry. One MNQ risks $60 gross, or $64 with the illustrative cost. No whole contract fits the assumed $60 budget.

Before recording the result

Keep the formation timeframe, original zone, swept extreme and confirmation timestamps. Record which entry and stop version you actually used.

A midpoint limit that price never reaches is an unfilled order. A return without the required confirmation is no trade. A trade that reaches its protective stop is a loss even if a later return works.

If one candle reaches both stop and target, inspect finer data or apply a predefined conservative rule. Record consecutive candidates, including failures, rather than selecting attractive completed charts.

Contract reference: CME Micro E-mini Nasdaq-100 futures specifications. Calculations are hypothetical planning examples; realized execution can differ.

Continue with Order Block, Fair Value Gap and the SMC guide.