

Support and Resistance Bounce strategy

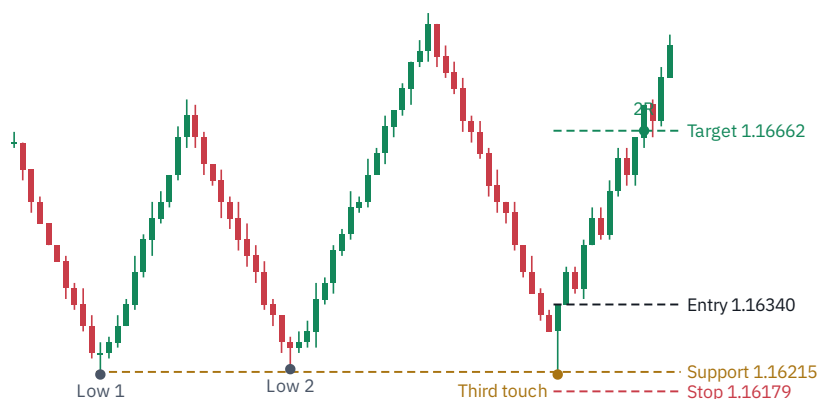
Support levels from two matching swing lows, a bounce entry on the third touch, a EURUSD example and a free Pine Script. By M. A. Horaira, updated 10 October 2026.

THE RULES

- **Market:** any major pair on the 1-hour chart; the example uses EURUSD
- **Level:** two swing lows (5 candles each side) within $0.3 \times \text{ATR}$ and at least 10 candles apart; the level is their average
- **Entry:** on the next visit, a candle whose low comes within $0.1 \times \text{ATR}$ of the level (or through it) and that closes back above it as a bullish candle; enter at that close
- **Stop loss:** half an ATR below the level, or at the candle's low if lower
- **Target:** twice the risk (2R)
- **Expiry:** each level is traded once, and dropped after 200 candles or when a candle closes half an ATR through it
- **Resistance:** the mirror image, from two swing highs

WORKED EXAMPLE

EURUSD 1H: swing lows 1.1621 and 1.1622 → support 1.16215. Third visit dips to 1.1621, closes 1.1634. Stop 1.16179 (16.1 pips), target 1.16662 (2R). 0.62 lots: -\$100 / +\$200.



Illustrative chart drawn to show the rules, not a real day's prices.

LOT SIZE

Lots = money at risk ÷ (stop in pips × pip value per lot).
On EURUSD, GBPUSD and AUDUSD one standard lot is \$10 a pip. Risk the same 0.5% to 1% on every trade.

BEFORE EVERY TRADE

- ☐ Two swing lows within $0.3 \times \text{ATR}$?
- ☐ At least 10 candles apart?
- ☐ Bullish CLOSE back above the level?
- ☐ Level not traded or broken yet?
- ☐ Stop below the zone, not on the line?

BACKTEST IT BEFORE YOU TRADE IT

1. Open the chart on TradingView.
2. Pine Editor → paste the free script → Add to chart.
3. Settings → Properties: add your commission and slippage.
4. Look for 100+ trades, a profit factor above 1 after costs, and a drawdown you can live with.
5. Check the same settings on other dates, then demo trade for a few weeks.
6. Free script: pipledgerfx.com/downloads/support-and-resistance-strategy.pine

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