



SNRZ Reaction

SNRZ | BEGINNER | Timeframes: 15M, 30M (context: 1H, 4H)

STATUS: TESTING

1529 backtested trades | win rate 32.8% | profit factor 0.88 | worst drawdown 34.6% | avg RR 1:2

Past results do not guarantee future results. Educational use only.

What it is

A support and resistance zone (SNRZ) is an area, not a line, where price has turned at least twice. This strategy waits for price to return to that zone and for a clear reaction candle, then trades in the direction of the reaction with the stop beyond the zone.

In simple words

Find a place where price bounced before. When it comes back, do not buy blindly: wait for a candle that shows buyers are really there again. Put your stop just under the zone, so if the zone breaks you lose a small, planned amount.

Why it may work

Orders often rest around levels the market has already respected: traders who missed the first move, stop-loss orders and profit-taking orders cluster there. Price may therefore react again. It is a tendency, not a rule; zones break all the time, which is why the stop exists.

Example chart



A support zone that held twice. The second reaction is an engulfing candle: buy with the stop below the zone. (Illustrative diagram drawn by Bahari Academy. It is not real market data and not a prediction.)

Best market conditions

- A clear trend or a well-defined range
- Zones with at least two clean reactions
- A reaction candle at the zone (engulfing or rejection)
- Room to the next opposite zone for at least a 1:2 reward

When NOT to trade it

- Price is in the middle of a range with no zone nearby
- The zone has been hit many times and is weakening
- Major news is minutes away
- The reward to the next zone is less than twice the risk

Timeframes

Entry: 15M, 30M. Context: 1H, 4H. Mark zones on the higher timeframe once, then look for the reaction on the entry timeframe.

Step-by-step setup

1. Mark support and resistance zones on the 1H or 4H chart
2. Wait for price to come into a zone on the 15M chart
3. Check the trend direction: prefer reactions that agree with it
4. Wait for an engulfing or rejection candle to CLOSE
5. Enter, place the stop beyond the zone and the target at the next zone
6. Walk away: let the stop or target do the job

Entry rules

- Price trades into a pre-marked zone
- A reaction candle closes in your direction (engulfing, or a pin bar with a long wick)
- Enter at the close of that candle or on a small pullback

Stop loss

Just beyond the far edge of the zone (below it for a buy, above it for a sell), plus a small buffer for the spread. If a candle closes beyond the zone, the idea is wrong.

Take profit

The next opposite zone, or a fixed multiple of the risk (for example 2R). Consider closing part of the position at 1R.

Risk / reward

Aim for at least 1:2. Skip the trade if the next zone is closer than twice your stop distance.

Confirmation

- The reaction candle closes away from the zone
- The next candle does not close back inside the zone
- The trend or higher-timeframe bias agrees

Invalidation

- A candle closes beyond the zone's far edge
- A strong news candle drives through the zone
- The reaction candle's range is so large that the stop is too wide for your risk

Common mistakes

- Drawing hairline levels instead of zones
- Entering before the reaction candle closes
- Trading every touch of an old zone
- Moving the stop wider after entry

How this strategy performed in our own backtests

Backtested on 1529 trades but not verified: 6 of 9 checks not met (win rate above 50%; profit factor at least).

Tested on 2026-10-03 with engine bahari-bt-1.0.0. Engulfing candle at a support/resistance zone, in the direction of the structure trend, stop beyond the swing, 1:2 target.

Markets: BTCUSDT, ETHUSDT, SOLUSDT. Timeframes: 15m, 30m, 5m. Conditions with enough trades: 3 profitable of 9.

To be VERIFIED a strategy needs at least 300 trades, a win rate above 50%, a profit factor of 1.2+ and drawdown under 25%, across several markets and timeframes and both halves of the history.

- [pass] Sample size of at least 300 trades: 1529 trades
- [not met] Win rate above 50%: 32.8%
- [not met] Profit factor at least 1.2: 0.88
- [not met] Average result per trade above 0.05R after costs: -0.086R
- [not met] Worst max drawdown at most 25%: 34.6%
- [pass] Average planned reward:risk at least 1:1: 1:2
- [pass] Tested in at least 4 market/timeframe conditions (2+ markets, 2+ timeframes): 9 conditions, 3 markets, 3 timeframes
- [not met] Profitable in at least 67% of the conditions: 3 of 9
- [not met] Profitable in BOTH halves of the history (profit factor at least 1 in each): first 0.85, second 0.92

Quiz

1. Why use a zone instead of a single line?

- A) Price reacts in an area, not at an exact number
- B) Lines are not allowed
- C) Zones never break
- D) It is easier to draw

Answer: A. Reactions spread across an area, so a band avoids calling a level broken after a small wick.

2. Where does the stop-loss go for a buy at a support zone?

- A) Just beyond the far edge of the zone
- B) At the entry price
- C) Far away
- D) No stop is needed

Answer: A. A close beyond the zone shows the idea has failed, so the stop belongs there.

3. What should you wait for before entering?

- A) Price to touch the zone only
- B) A reaction candle that closes in your direction
- C) A news headline
- D) The next day

Answer: B. A touch is not a signal. A closed reaction candle is evidence that buyers or sellers are defending the zone.

4. The reward to the next zone is only 1.2 times your risk. You should:

- A) Take it anyway
- B) Skip it or look for a better trade
- C) Double the size
- D) Remove the stop

Answer: B. A poor reward-to-risk ratio needs a very high win rate; skipping is a valid decision.

Practical challenge

Open a challenge, mark the nearest support or resistance zone first, then decide BUY, SELL or WAIT. Open Challenges on bahari-academy.netlify.app to practise with the future candles hidden.

Important

Trading involves risk, and you can lose money, including all of the capital you risk. This lesson is for education only and is not financial advice. Nothing here guarantees profit, and backtested results do not guarantee future results.