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#Fibonacci Retracement How i use it ?

Thread//

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Fibonacci Retracement is a technical analysis tool that i use to locate areas/levels of support & resistance

It is based on the Fibonacci sequence ratios introduced by Leonardo Fibonacci

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Measure the rise of price from swing low to swing high (depends on the time frame in use)

This level will give the support levels AND the potential resistances levels once price continue higher

3//

Let's take \$FSLY Daily for example

White Arrow : Swing high

Yellow Arrow : Swing low

As you can see it gives us support levels & future potential resistance levels



4//

I often add also the 1 HR chart levels

White Arrow : Swing high

Yellow Arrow : Swing low

As you can see price touches all and re tests all the levels from the yellow arrow to the blue arrow which is the 1.272 EXTENSION of this move



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Here is the Daily & 1 HR side by side

So you can follow potential pull back & potential upwards resistances during hours



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**To see potential down side continuation levels of resistance pull the Fibonacci from Swing high to Swing low

\$DPZ Daily example

price is now @ the 1.272 EXTENTION level of the down trend



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Use this tool on different time frames BUT no matter if you trade the 1/5/15/60/240 min charts
ALWAYS have your Daily levels

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For me the most important levels are 0.382 /0.618 (marked in yellow) /1.272 / 1.618

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with that Being said

Fibonacci tools has limitations

It may give an estimated entry level but cannot

indicate an exact entry point (study Candle reversal patterns)

It also doesn't guarantee that prices will move as the retracements predicts.

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If you #follow my chart you can see i use the Fibonacci to determine potential levels to enter a trade, SL & TP targets
(usually to the point)

with no other indicators

Hope this helps

Feel free to comment / ask questions

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