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#Fibonacci Retracement How i use it ? Thread//

1

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

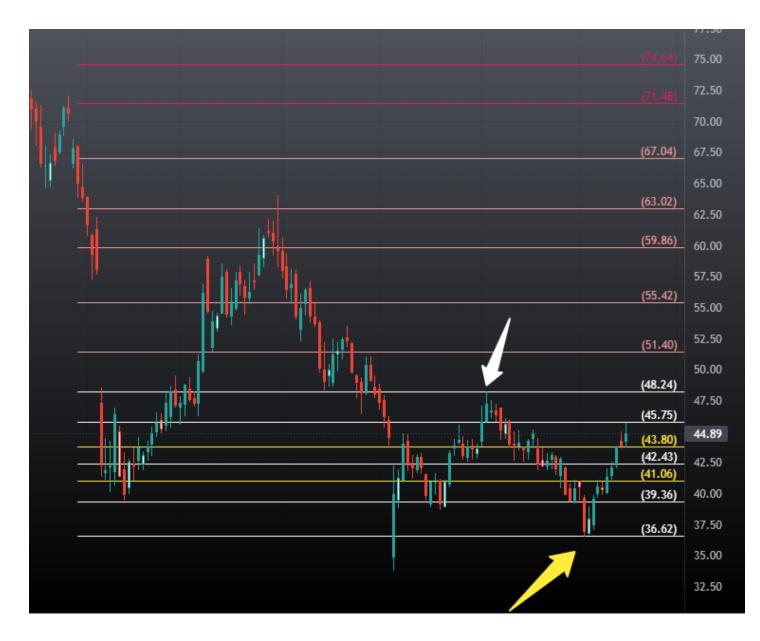
It is based on the Fibonacci sequence ratios introduced by Leonardo Fibonacci

2//

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



5//

Here is the Daily & 1 HR side by side

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



6//

**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



7//

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

8//

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

9//

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.

10//

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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